GENERAL ELECTRIC

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1958 ANNUAL REPORT

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Progress in atomic development at General Electric is symbolized by young science class on tour of Company's new Radiation Laboratory.

TO GENERAL ELECTRIC SHARE OWNERS: Your Company distributes copies of the Annual Report to many thousands of customers, employees, civic leaders, educators and students as a means of securing a broader understanding of the Company's progress. You can help achieve this goal by passing your copy along, if you so desire, to a friend or neighbor. Bringing the Report to the attention of young people represents a particularly welcome extension of the Report's readership.

FINANCIAL HIGHLIGHTS OF 1958

IN MILLIONS	1958	1957	1956
Net sales billed	$4,120.8	$4,335.7	$4,090.0
Federal and Canadian income taxes*	242.2	260.0	210.0
Net earnings	242.9	247.9	213.8
Dividends declared	173.7	173.2	172.4
Expenditures for new plant and equipment	104.1	153.6	205.2
Depreciation of plant and equipment	124.5	119.9	108.7

PER SHARE

IN DOLLARS	1958	1957	1956
Federal and Canadian income taxes*	$2.77	$2.98	$2.41
Net earnings	2.78	2.84	2.46
Dividends declared	2.00	2.00	2.00
Dividends paid	2.00	2.00	2.00

*Includes renegotiation.

NOTE: In this Report the terms "General Electric" and "Company" refer to the consolidated group of companies described in Note 1 on Page 30.

The

Sales of $4.1 billion for General Electric in 1958 were second only to the record of $4.3 billion in 1957. Earnings improved from 5.1% of sales in the first quarter to 7.1% during the final quarter. The Company's 1958 earnings of $2.78 a share were within 2% of the 1957 record, in spite of the lower business levels which characterized 1958.

Extra efforts were exerted throughout the Company to minimize the effects of this downturn. One such program, called Operation Upturn, was an important factor in the Company's 1958 results. Many lasting improvements were made in virtually all departments, and the continuing spirit of this customer-oriented program will have a favorable effect in future years.

The Company's diversification was a positive factor in General Electric's performance in 1958. Substantial backlogs of unfilled orders for apparatus and defense equipment assured a high

Chairman Comments

level of production in these lines early in the year, when sales of consumer goods and components declined markedly. By the end of 1958, the effect on sales of the then reduced level of orders for apparatus was more than offset by a resurgence in sales of consumer goods and components.

Looking to the future, your Company's management sees the beginnings of a new period of growth in the electrical industry. It will be paced in 1959 by increasing demand for consumer goods, electronics, and electrified equipment for community services. Continued gains in sales and orders for defense products made by the electrical manufacturing industry are indicated, strengthened by the increasing importance of defense electronics technology and flight propulsion systems. The electric utilities in 1958 installed a record amount of new generating capacity, but in many areas this new capacity has only kept pace with load growth. Electric power use leveled off in major industrial centers during the recession, and then resumed its growth pattern in the latter half of 1958. Utilities can therefore be expected to increase orders for power-plant equipment to be delivered in the early 1960's.

Your Company has never been so well prepared to serve its customers in a period of growth. In the past decade, the Company has been substantially rebuilt and reorganized. Seasoned management has been developed for more than 100 decentralized operating departments. Thus with ample capacity to produce and with ever-increasing emphasis on quality and service, General Electric will make a determined bid to serve the expanding markets.

As a corporate citizen, General Electric is doing its share to help the United States respond vigorously to the Soviet bid for world leadership. During 1958, the Company offered creative proposals to speed development of atomic power, and reorganized its resources for greater participation in the exploration of space. Through continued investment in research and development — again a new high in 1958 for the Company — General Electric has achieved outstanding competence in nearly every scientific discipline useful to industry and national security.

Thus in exciting new technologies as well as the traditional utility, industrial and consumer technologies, your Company will continue its contribution as a major source of innovation and growth in the American economy.

Respectfully submitted for the
Board of Directors,

Ralph J. Cordiner
Chairman of the Board

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EXTRA VALUES FOR CUSTOMERS was the theme of the year for General Electric. As an example, customers can now receive distribution transformers "off the shelf" three days after placing an order, as the result of a new standardization and stocking program introduced by Medium Transformer Department. Shipments formerly required as much as eight weeks.

EMPHASIS ON QUALITY characterized employees' efforts to provide extra values for customers. Scoreboard at right reminded employees at the Buffalo, N.Y., plant of their continuing progress in raising quality of their weekly semiconductor production.

GENERAL ELECTRIC'S 1958 SALES TOPPED $4 BILLION DESPITE YEAR'S ECONOMIC CHALLENGES

Net sales by General Electric and its consolidated subsidiaries in 1958 totaled $4,120,769,801, a level only 5% below the record level of $4,335,664,061 established in 1957.

To achieve this volume of sales in 1958, General Electric people had to work against the adverse economic currents affecting the economy as a whole and the electrical manufacturing industry in particular.

The decreased level of economic activity characterizing the first months of 1958 is indicated in the chart at right comparing an index of the gross national product—that is, the total output of goods and services (exclusive of Canada) —with General Electric sales. The gross national product totaled $438 billion in 1958, a decline of 1% from the $440 billion recorded in 1957. While General Electric's 1958 sales declined by a somewhat greater percentage, the Company's sales over the past ten years have increased 121%, compared with a 69% increase in the gross national product.

This broad measure of the economy tends to conceal the fact that trends in particular markets may be moving in diverse directions. This was true in 1958 of the broad markets served by the electrical manufacturing industry.

Thus, the manufacture of heavy electrical equipment, particularly that used for generation, was on a high cycle of activity in 1958. Capital spending by domestic utilities for such equipment was higher than for any previous year, amounting to $4.9 billion compared with $4.7 billion in 1957. Because of the length of time required in manufacturing most of this equipment, 1958 business reflected high levels of orders in 1957 and earlier. Utilities reduced the rate of their orders in 1957 and in 1958, the effects of which will be felt by electrical manufacturers in 1959 and into 1960.

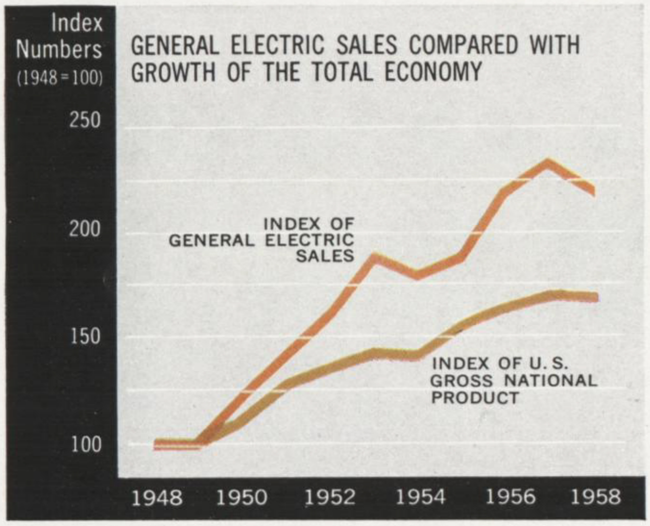
Consumer expenditures for durable goods reached the bottom of a downward cycle in the early months of the year. With the renewal of the upward trend in personal income, purchases of consumer durable goods showed an upturn after midyear which is expected to continue in 1959.

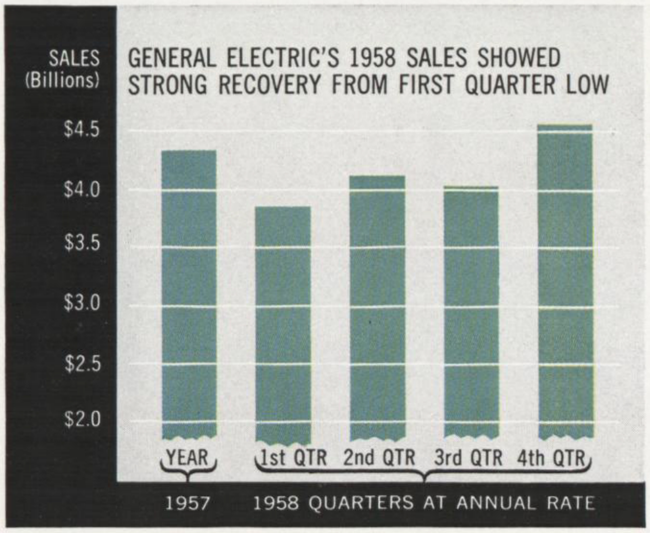
This pattern of decline in early 1958 and upturn in the closing months of the year also applied to sales of components and materials to durable goods manufacturers.

Another downward pull during much of the year resulted from lower manufacturers' outlays for new plant and equipment. This market is served by such products as electrical systems, controls and heavy capital goods. The electrical portion of such capital spending is becoming increasingly important, and therefore did not decline as rapidly in 1958 as manufacturers' capital spending in total.

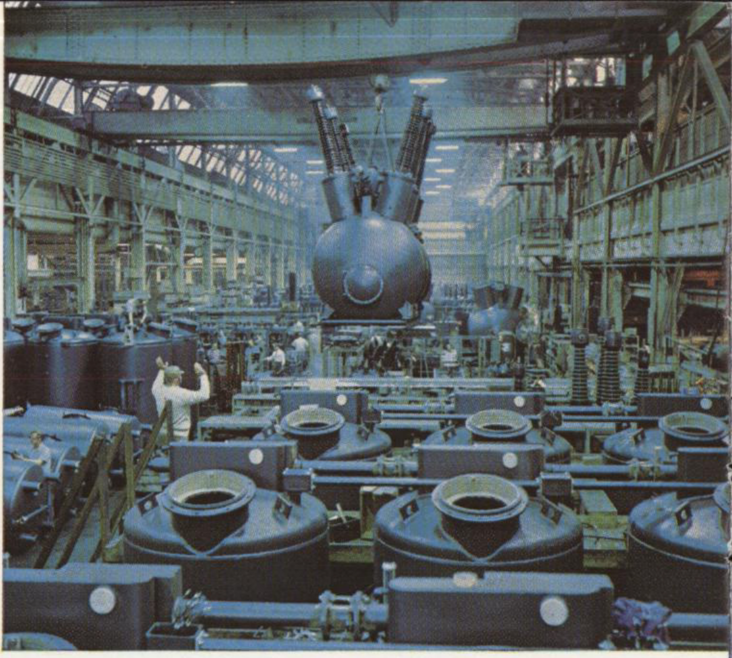
Federal government expenditures for national defense continued at high levels throughout 1958, and showed increasing trends toward use of electrical, electronic and nuclear products and systems.

The second chart below shows the strong recovery in sales achieved by General Electric during 1958. Sales are compared by quarters, on an annual basis, with total 1957 sales. General Electric sales normally show a slight seasonal drop in the third quarter and a fourth quarter peak. In 1958, however, third-quarter sales were above the average for the first half of the year, and the increase in the final quarter was well above the seasonal pattern.

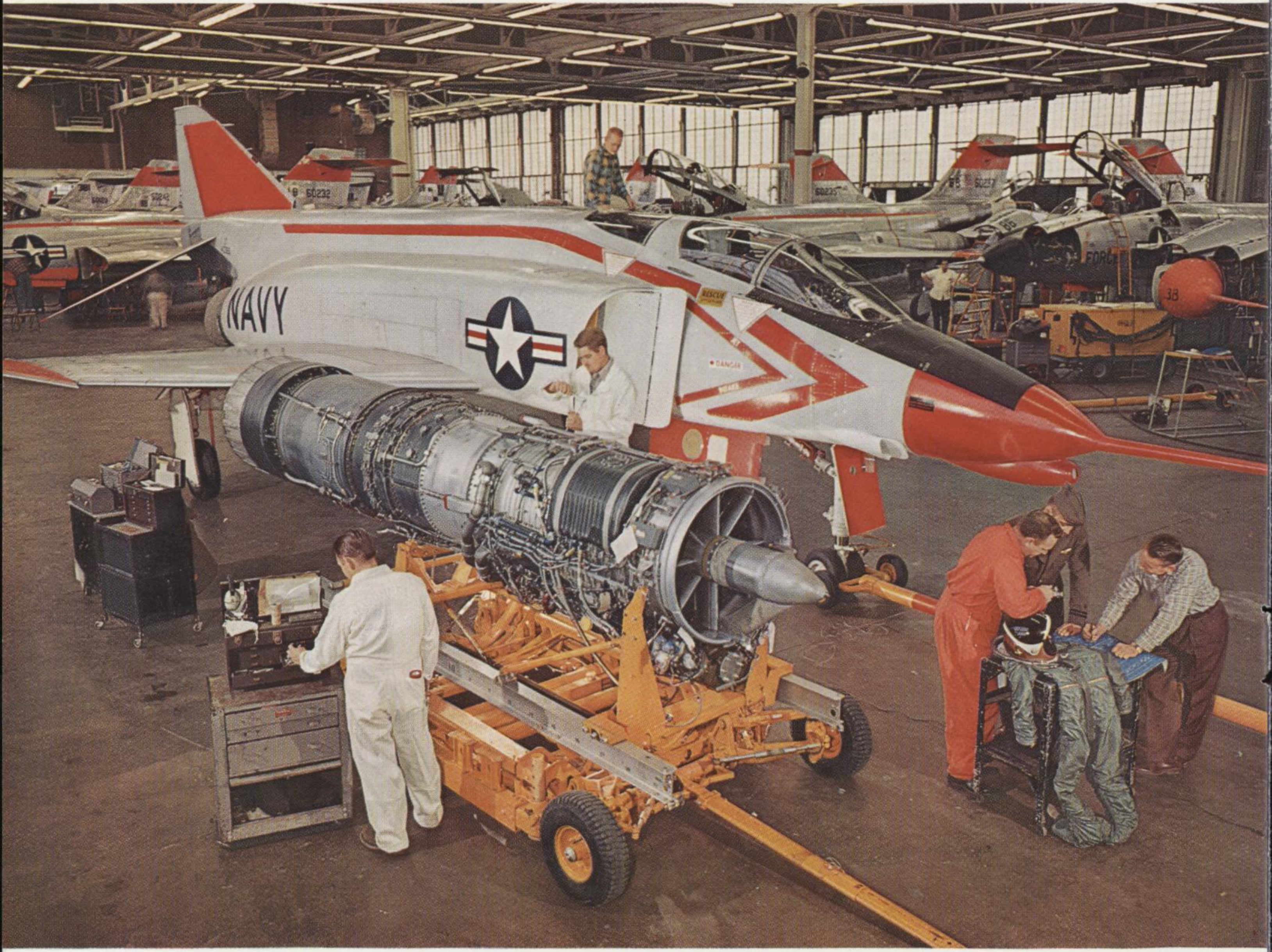




HEAVY CAPITAL GOODS EQUALLED 24% of General Electric's total 1958 sales. At right: production of large oil-blast circuit breakers at Philadelphia, Pa., switchgear facilities.



SALES BY DEFENSE DEPARTMENTS WERE 24% of the Company's total 1958 sales. Representative of the Company's work for national defense, J79 jet engines power the F4H all-weather fighter (below), the B-58 Hustler, F-104 Starfighter, F11F-1F Super Tiger, and A3J Vigilante. Other power plants from General Electric include the T58 and T64 for smaller jet and turboprop aircraft and helicopters. The very advanced J93 is scheduled for the B-70 intercontinental bomber and the F-108 long-range interceptor.



1958 SALES STRENGTHENED BY GENERAL ELECTRIC'S BROAD DIVERSIFICATION

Analysis of General Electric's total business in terms of four broad classifications of the Company's products indicates that this diversification of business was a favorable factor in the uneven economic currents of 1958.

Heavy capital goods, accounting for 24% of total sales billed for the year, include such items as turbine-generators, large electric motors, transformers and switchgear. The Company's sales of this equipment were helped by the record volume of utilities' 1958 additions to generating capacity. A lower rate of new orders by utilities affected 1958 sales for those parts of the business having shorter manufacturing cycles, but for products with longer manufacturing cycles, such as turbine-generators, a substantial backlog of unfilled orders continued during 1958 and into 1959. Sales and orders of heavy capital goods for industrial customers were adversely affected by declines in manufacturers' plant and equipment expenditures during the year.

Consumer goods, including major appliances, radio and television receivers, small electric housewares, air conditioning equipment, and lamps, represented approximately 26% of the Company's total sales in 1958. After a sharp decline in the earlier months of 1958, the Company's consumer goods showed a strong recovery. For the second half of the year, sales of consumer goods were approximately equal to those for the same period of 1957.

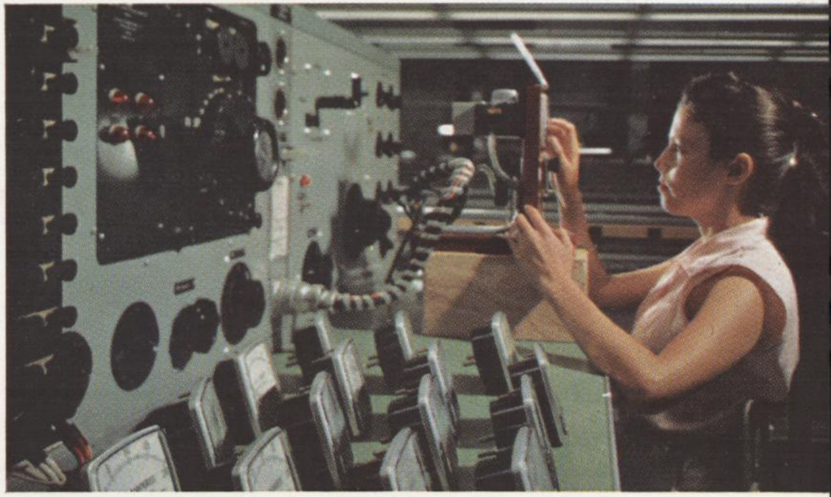
Components and materials supplied to original equipment manufacturers, distributors, and other industrial customers amounted to about 26% of the 1958 total sales. This classification includes such equipment as small electric motors, electric control devices, meters and instruments, plastics, special metals, electrical construction materials, and electronic equipment for industrial applications. Sales in this area declined in the early months of 1958 along with sales by consumer goods manufacturers, which are among the major customers for many of these products. Similarly, sales of such products followed consumer goods sales in a firm upturn in the year's closing months, and were also aided by increasing shipments to the construction industry.

National defense: Sales by General Electric's defense product departments amounted to approximately 24% of the Company's total 1958 sales. Included are defense electronic equipment, jet engines, rocket motors, and other systems and products. The continuing increase in the Company's defense work reflects the trend toward a higher electrical and electronic content in defense equipment. Thus, although earnings-sales ratios permitted by the Federal government for these businesses are well below those for commercial lines, General Electric has assumed additional contracts with emphasis on those areas where significant technical contributions can be made.

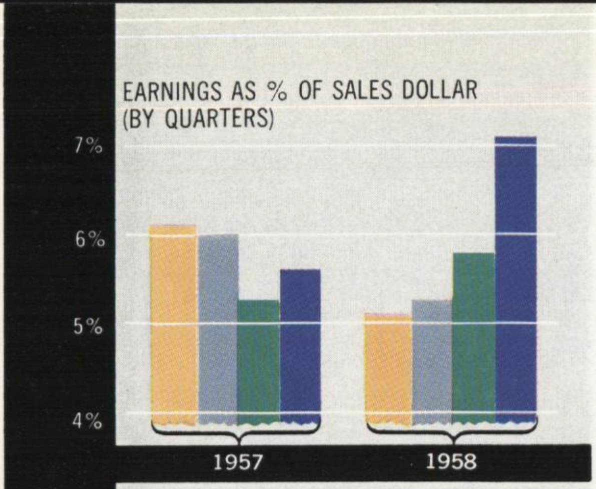
International: The 1958 export portion of sales, as recorded by the International General Electric Company Division, amounted to 6% of total Company sales. These sales are distributed within the appropriate classifications above. The Division is also responsible for the Company's interest in a number of nonconsolidated subsidiaries engaged in electrical manufacturing in foreign countries.

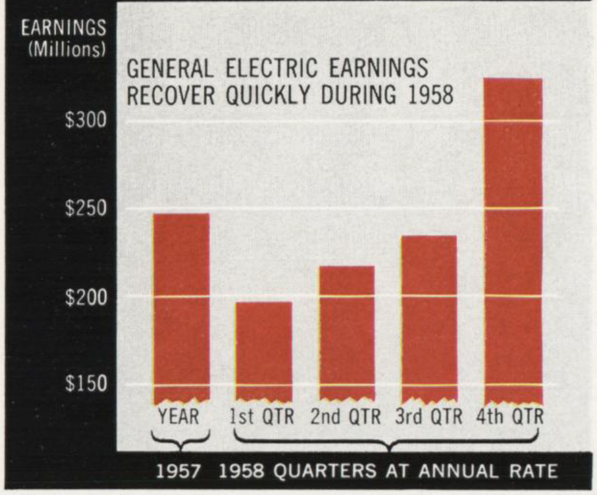
CONSUMER GOODS ACCOUNTED FOR 26% of 1958 sales. Such new convenience for customers as a rotisserie with Calrod® heating elements and highly accurate thermostatic control helped create a late-year upturn.

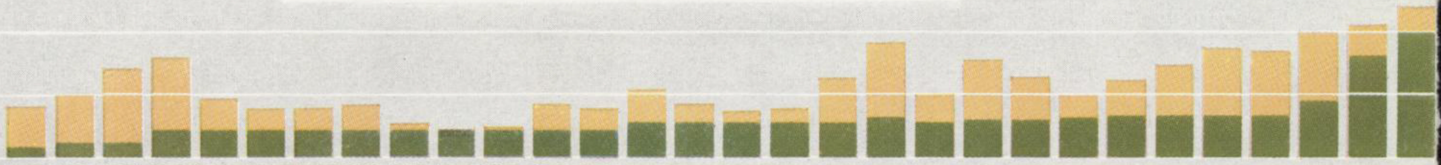
INDUSTRIAL COMPONENTS AND MATERIALS EQUALLED 26% of General Electric's total business in 1958. These products supplied to industrial customers included instruments shown in production below.



1958 EARNINGS







	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913
EARNINGS	.22	.25	.36	.40	.24	.20	.20	.21	.14	.10	.13	.22	.20	.28	.22
DIVIDENDS	.04	.06	.06	.11	.11	.11	.11	.11	.11	.11	.11	.11	.11	.14	.14

	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928
EARNINGS	.19	.20	.32	.46	.26	.39	.32	.26	.31	.38	.44	.43	.51	.53	.60
DIVIDENDS	.14	.14	.14	.16	.14	.15	.15	.16	.17	.17	.17	.17	.23	.40	.50

General Electric's earnings rose sharply in the final two quarters of 1958, with earnings as a percentage of the sales dollar rising above the 1957 average. This recovery in the Company's earnings in part offset the effects of the lower business activity during the first months of the year, as shown in the upper chart on this page. As a result, total earnings for General Electric in 1958 were $242.9 million, equivalent to $2.78 a share of common stock. This was a 2% decrease from the $247.9 million, or $2.84 a share, earned in 1957.

Earnings for the whole of 1958 amounted to 5.9 cents per dollar of sales, compared with 5.7 cents in 1957.

The Company's 1958 earnings recovered more strongly and swiftly than its sales levels. One important reason for this was a continuation of vigorous efforts aimed at cost reduction and improvements in efficiency. In 1958, such efforts were given added impetus by the Company-wide activities discussed on page 8.

The second chart above compares General Electric's earnings for each quarter of 1958 on an annual basis with earnings for the full year 1957. From a first-quarter annual rate of less than $200 million, the Company's earnings showed a steady and rapid improvement to an annual rate of $324 million in the final quarter of 1958.

Dividends declared during the year totaled $173.7 million. Dividends of 50 cents a share were declared at the February, May, September and November meetings of the Board of Directors, a total of $2.00 for the year. This was 71% of net earnings for the year, compared with 70% in 1957, and compared with an average pay-out rate of 66% for the 60 years shown on the large chart above.

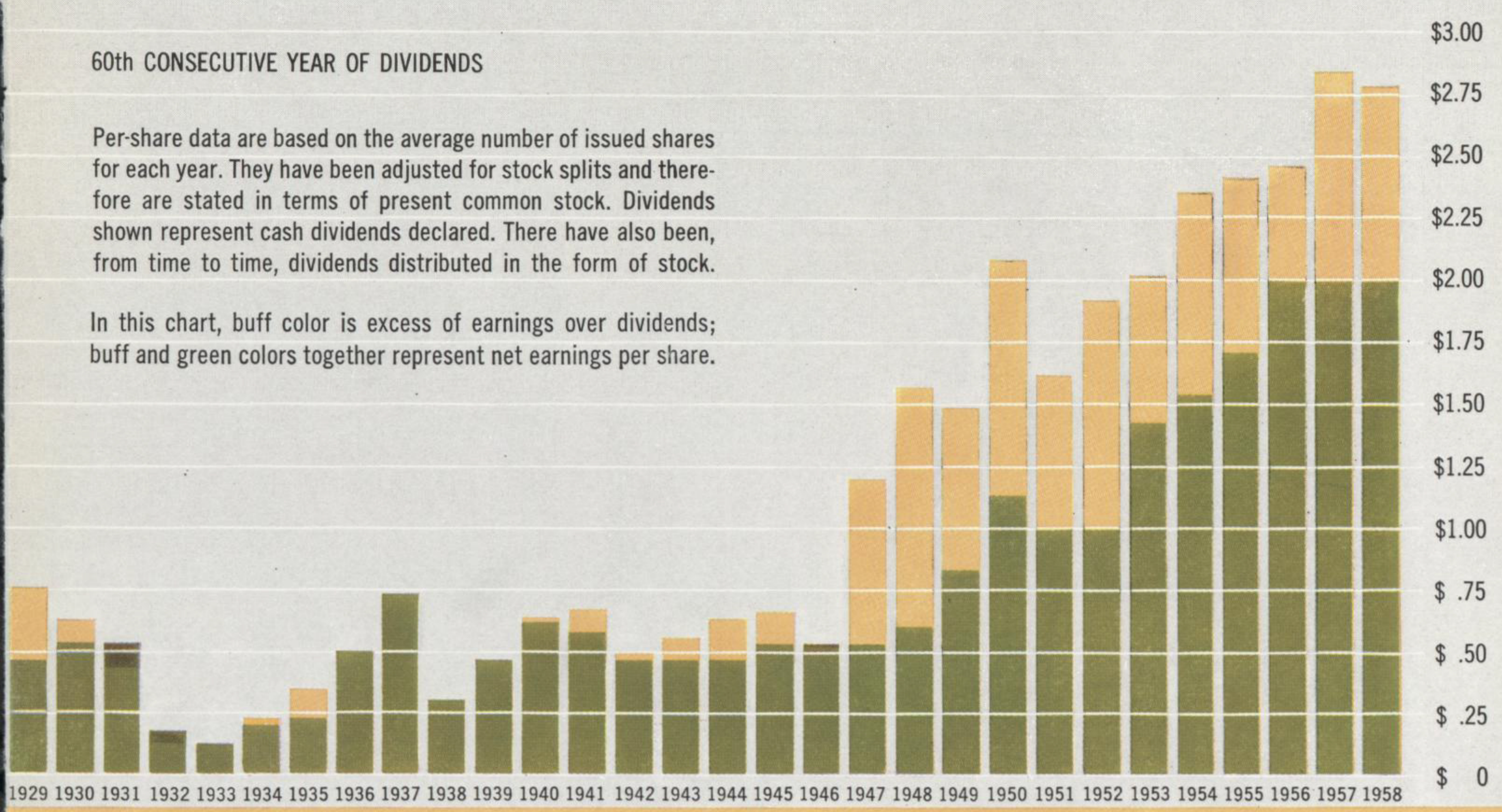
Dividends paid to the Company's share owners in 1958 were also $2.00 a share, with payments of 50 cents a share in January, April, July and October.

AT NEAR-RECORD LEVEL

60th CONSECUTIVE YEAR OF DIVIDENDS

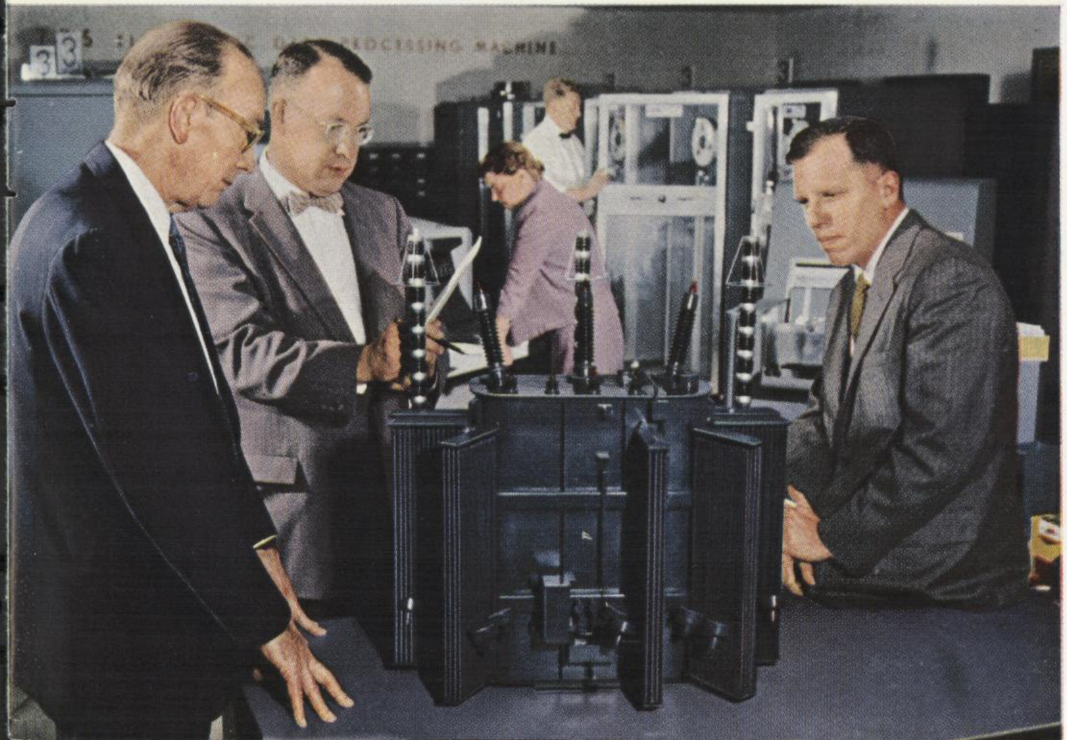
Per-share data are based on the average number of issued shares for each year. They have been adjusted for stock splits and therefore are stated in terms of present common stock. Dividends shown represent cash dividends declared. There have also been, from time to time, dividends distributed in the form of stock.

In this chart, buff color is excess of earnings over dividends; buff and green colors together represent net earnings per share.



1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	
.75	.63	.44	.14	.13	.24	.35	.50	.73	.30	.47	.65	.68	.50	.56	EARNINGS
.46	.53	.53	.18	13	.20	.23	.50	.73	.30	.47	.62	.58	.47	.47	DIVIDENDS

1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	
.64	.67	.52	1.20	1.57	1.49	2.08	1.66	1.91	2.01	2.36	2.41	2.46	2.84	2.78	EARNINGS
.47	.53	.53	.53	.60	.83	1.13	1.00	1.00	1.42	1.53	1.70	2.00	2.00	2.00	DIVIDENDS



1958 EARNINGS REFLECT ECONOMIES made possible by advanced techniques such as the use of computers in engineering calculations. Certain design calculations on power transformers indicated by model (left) are reduced from 40 hours to 1½ minutes. For many purposes, General Electric is a major industrial user of electronic computers and data processing systems.

1958 RESULTS REFLECT VIGOROUS EFFORTS TO BUILD

The accounting of the strong recovery realized in sales and earnings by General Electric during 1958, as described on the preceding pages of this Report, needs to be supplemented by another kind of reporting: that of the initiative, resourcefulness, and energy with which General Electric people met the year's economic challenges.

Early in the year, as the nation's economy slowed, General Electric organized on a Company-wide basis for 1958's biggest task: building sales and jobs through bringing extra values and renewed confidence to customers.

This program, known as Operation Upturn, was first announced to share owners at the 1958 Annual Meeting. This was a name and a slogan in a season of many such names and slogans. Yet any review of General Electric in 1958 must acknowledge that the Company's employees gave a meaning to Operation Upturn that made it a symbol of achievement.

General Electric engineers established 3,500 separate research and engineering projects, including approximately 600 new product innovations. In a series of joint meetings, engineering and manufacturing specialists intensively explored more effective ways to smooth the transition between the design and manufacture of products. Manufacturing people also developed new ways to improve control of quality and to shorten manufacturing cycles when speed of shipment was a factor in securing a customer's order.

Financial specialists showed that "creative credit" operations can be used in such ways as determining new leads to additional sales. New consumer credit plans built sales by offering special provisions to protect customers through periods of unemployment due to sickness or layoff.

Public and employee relations people, and managers everywhere, worked to develop better understanding by employees that jobs depend on sales. Performance by many employees in improving product quality, reducing spoilage, suggesting improvements in products and processes, and in personally selling products, demonstrated a heightened awareness of the Company's customer orientation.

Marketing people, closest to the customer, intensified efforts to sell not by high-pressure tactics but on the basis of improved service, improved values and improved anticipation of the customer's wants.

Thus Operation Upturn, drawing strength from the self-initiated efforts of employees in every decentralized operating department and field sales and service organization, raised the level of performance of the entire Company in 1958. The Company obtained business it would not otherwise have obtained and saved jobs which might otherwise have been lost. Many of the gains represent lasting improvements in the operation of the business and in new standards of service to the customer.

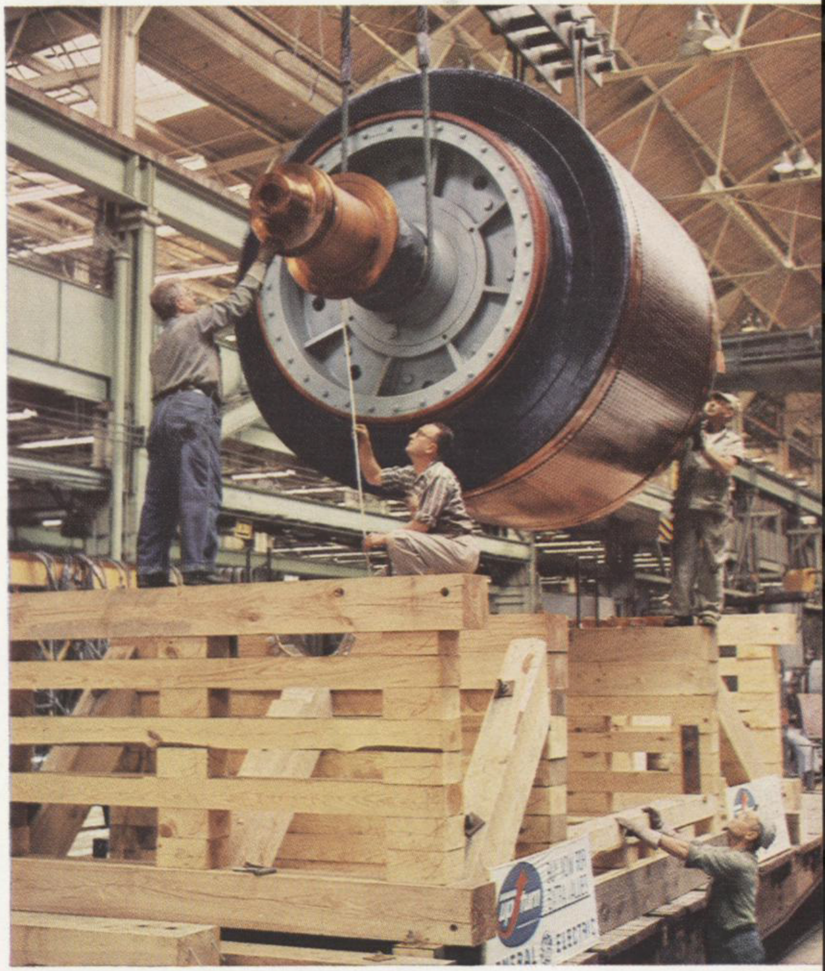
COMPANY-WIDE PLANS for 1958 sales-building program are reviewed by the Company's President, Robert Paxton (above, at left) and by the Chairman of the Finance Committee of the Board, Philip D. Reed, to whom the program was dedicated as a personal salute.

INDIVIDUAL INITIATIVE stimulated by the program was exemplified by action of Guard Bud Abbott at the Roanoke, Va., plant, who persuaded his druggist to consider Weathertrons for his store. Results: for General Electric, sales of two five-ton units; for Guard Abbott, a ten-gallon hat given by employees at the Tyler, Texas, plant; for Druggist M. E. Layman, all-electric year-'round heating and cooling.

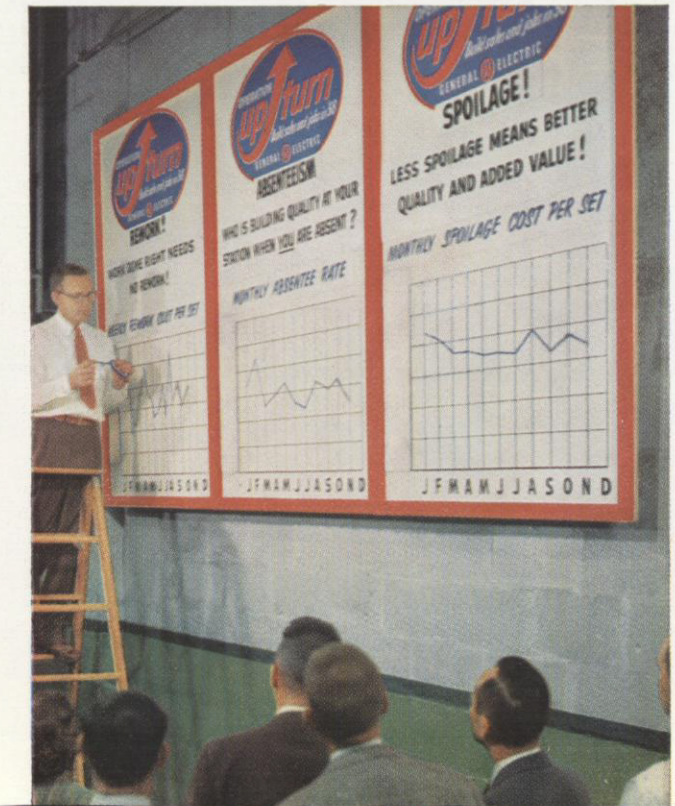
SALES AND JOBS

NEW STANDARDS OF QUALITY SET: The same type of high-reliability electronic tubes developed for military use are now available to consumers. One result: better TV receivers. Advanced manufacturing techniques at Owensboro, Ky., plant improve working conditions and product quality.

NEW PRODUCTS INTRODUCED: New portable x-ray for industrial use was pushed into production ahead of schedule to build sales.



SAVINGS FOR CUSTOMERS: Steel mill customer realized substantial savings when General Electric specialists worked out methods to standardize main drive equipment such as that being prepared for shipment above.


upturn
REWORK!
ABSENTEEISM
WHO IS BUILDING QUALITY AT YOUR STATION WHEN YOU ARE ABSENT?
MONTHLY ABSENTEE RATE
SPOILAGE!
LESS SPOILAGE MEANS BETTER QUALITY AND ADDED VALUE!
MONTHLY SPOILAGE COST PER SET
J F M A M J J A S O N D

EMPLOYEES CONTRIBUTE IMPROVED PERFORMANCE: Scoreboard for employees at the Television Receiver Department, Syracuse, N.Y., indicated progress achieved in reducing rework, absenteeism and spoilage.

SHARE OWNERS helped build business by informing themselves and others of the Company's extra product values. The family of Dr. Leroy Tunnell (right) was representative of share owners who made it a point to consider General Electric first when purchasing electrical products.

BROAD PARTICIPATION IN THE

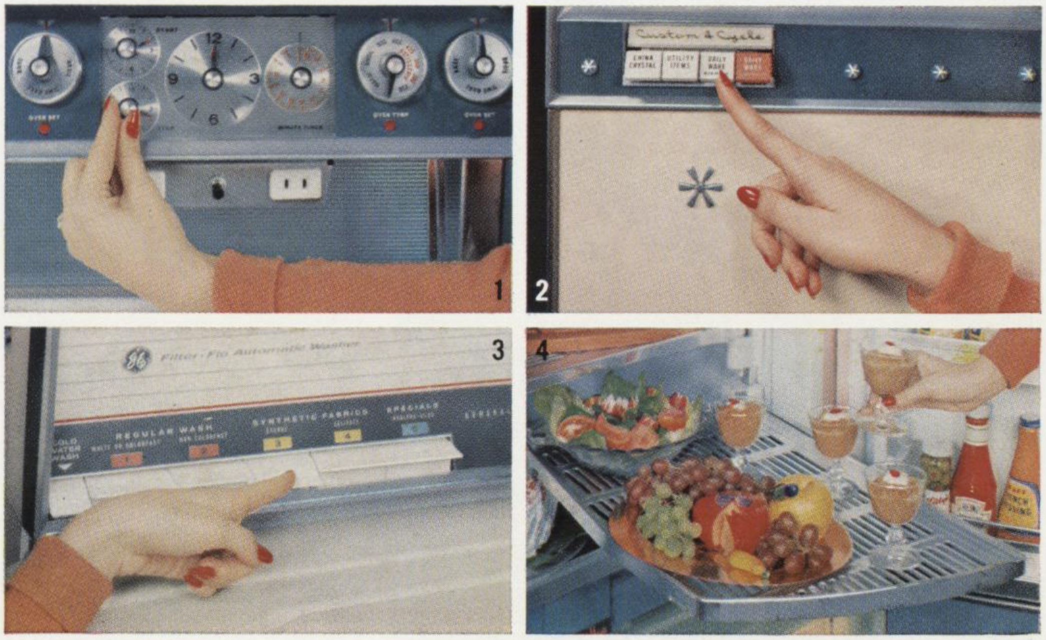
In organizing a special effort to provide extra values for customers in 1958, General Electric did not look to employees alone for support. The Company sought to make its program a rallying point for share owners, suppliers, distributors, dealers, contractors, servicemen, and neighbors in communities where Company plants are located—in short, for all who wished to participate in accelerating the business upturn in 1958.

The Company's nearly 400,000 share owners of record were kept informed about the program through special publications and attendance at open house programs conducted at a number of plants. Many share owners helped in their own communities by stimulating sales and confidence.

The program was strengthened by the efforts of many of the other businesses General Electric relies upon, including 45,000 suppliers of parts, materials and services, and the distributors, dealers, contractors and servicemen who help to market and service the Company's products. Representative of these special efforts was the program by dealers in the Milwaukee, Wis., area which marketed a complete trainload of appliances in a single week.

Thus General Electric's 1958 program gained impetus from all who share in the Company's progress and brought about a new intensity of focus on service to the customer.

SIGNS OF UPTURN APPEAR



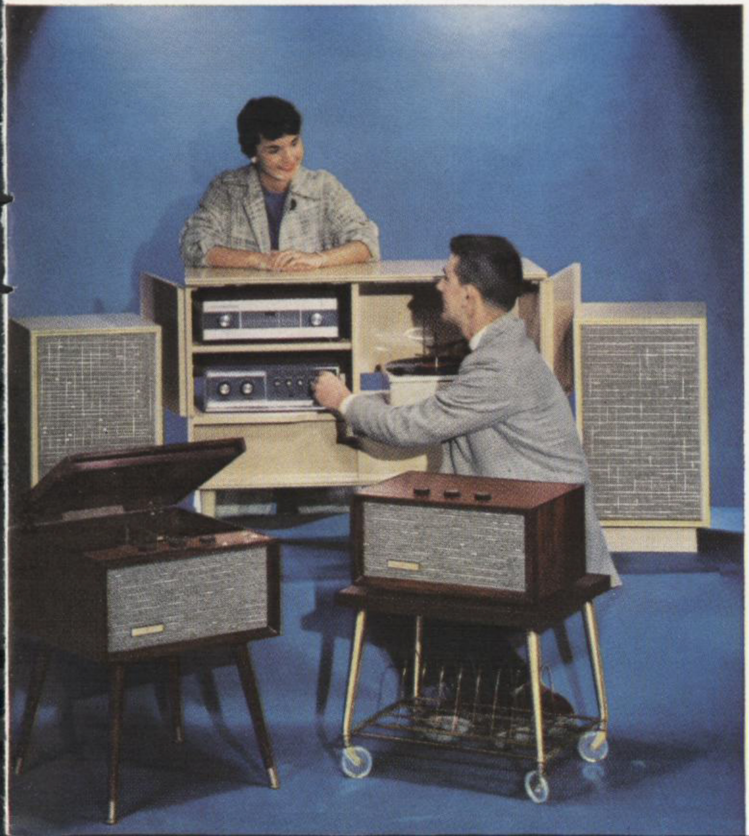
EXTRA VALUES IN APPLIANCES offer finger-tip, pushbutton convenience: (1) easy-to-set range timer, (2) custom washing of dishes, (3) five choices of washing action on new General Electric washer, and (4) new swing-out shelves on the 1959 line of refrigerators.

COMPANY'S 1958 PROGRAM HELPED ACCELERATE UPTURN

DEALERS built sales by making maximum use of new credit plans, tailored to the problems of the times by General Electric Credit Corporation by providing for suspension of payments during unemployment periods. Family above used Company plan to modernize entire kitchen.

COMMUNITY NEIGHBORS caught the spirit of the Company's 1958 business-building program by attending open house activities at many General Electric plants. One of these was a special "Family Day" at Electronics Park, Syracuse, N. Y., attended by an estimated 30,000 people.

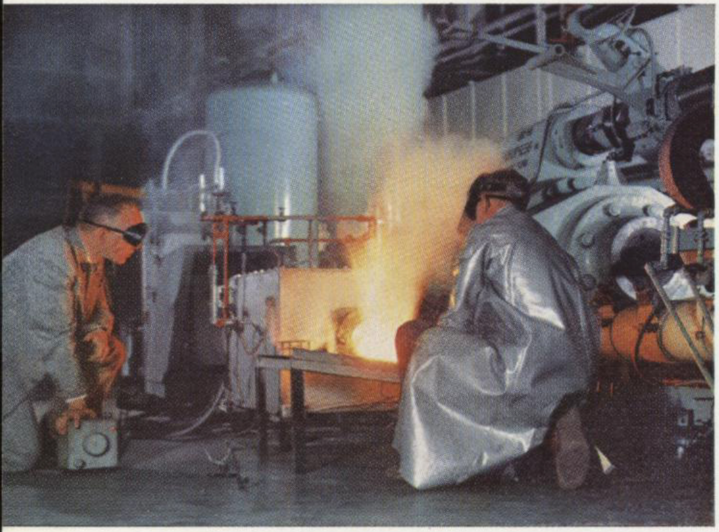
FIRST IN CONSUMER GOODS



LIGHTING FOR GARDENS AND PATIOS is among the factors expected to double use of electricity for home lighting by 1965. Portable appliances such as electric skillet and percolator add fun to outdoor cooking.

NEW STEREO PRODUCTS INTRODUCED in 1958 include popular-priced Stereo-Musaphonic phonograph and amplifier-speaker (foreground) and new Stereo Classic line of easily assembled high-fidelity components.

DEVELOPING THE CLIMATE FOR GROWTH



METALLURGICAL RESEARCH at General Electric, already on the broadest scale in industry, includes work on molybdenum and other metals for use in high-temperature applications.

RESEARCH ON THE FRONTIERS OF TEMPERATURE aims at achieving the extremely high temperatures required for the nuclear fusion process. This area of research is directed toward the use of this greatest of all power sources to produce electricity.

1958 marked the eightieth year since the earliest predecessor company of General Electric was organized to finance the development of the incandescent lamp. In these eight decades, the electrical manufacturing industry has, on the average, doubled its business every ten years—a rate of growth more than twice that of the entire economy. General Electric's approach to the future is that the years ahead offer even greater opportunities for growth. But there is nothing automatic about business expansion, plentiful jobs and general prosperity. These and the following pages present some of the key ways in which General Electric people, during 1958, were doing the hard creative work that prepares the way for a renewal of the industry's upward climb.

RESEARCH AND DEVELOPMENT ACCELERATED

Business growth achieved through extending the variety and usefulness of electrical and associated products is a primary aim of General Electric research and development. 1958 expenditures for research and development reached a new high, and were well over three times the average for all industry, which amounted to about 2% of sales.

Much of this work is done in three Company-wide laboratories, all located at Schenectady, N. Y.: the Research Laboratory, the General Engineering Laboratory and the Manufacturing Laboratory. Substantial research and development are also carried forward at more than 100 laboratory locations serving product operations.

At General Electric's Research Laboratory, approximately 400 scientists and 800 supporting personnel were employed at the end of 1958 in acquiring new knowledge in four broad areas of the physical sciences—

- Chemistry, including polymer studies, organic synthesis, fluid mechanics, combustion chemistry, dielectric studies,
- General physics, including work on semiconductors, light production, surface phenomena, biological studies,
- Electron physics, including information theory, arc and plasma studies, nucleonics, electronic circuitry,
- Metallurgy and ceramics, including studies of mechanical behavior of metals and ceramics, electrical and magnetic behavior of materials, cohesion and stability, kinetics of metal and ceramic reactions.

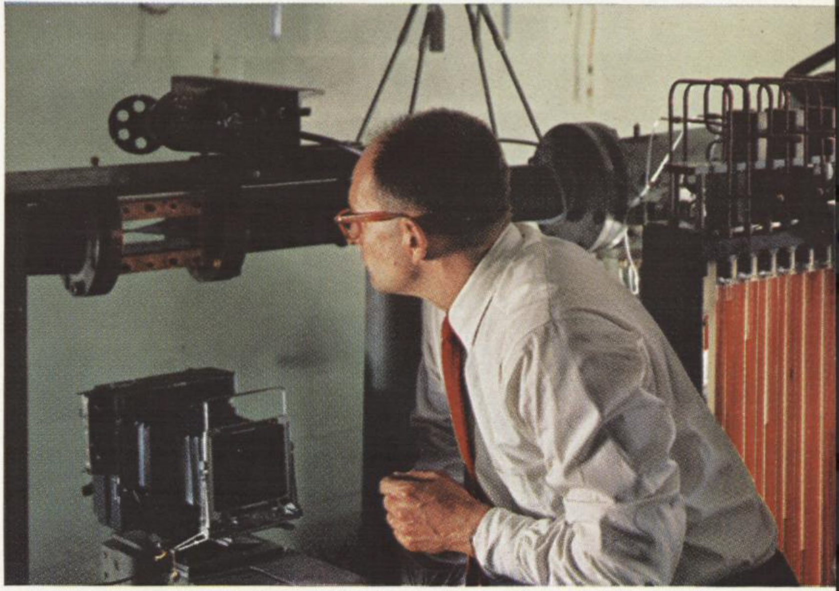
LOW TEMPERATURE STUDIES by Research and General Engineering Laboratories use "cryogenics"—the science of ultra cold—in such ways as improving computers' memory and logic elements and in special amplifiers for radar use.

MANUFACTURING LABORATORY WORK is exemplified by equipment shown above, developed to reduce production time from three weeks to half an hour in manufacturing large motor and generator parts.

General Engineering Laboratory employees in 1958 included 345 with professional degrees and 650 supporting personnel. This Laboratory provides a central engineering facility with specialists in virtually every field of engineering who are able, when needed, to aid the operating departments with their technical problems. In 1958 these specialists carried out 9,500 such assignments.

In manufacturing, about 8,800 specialists in product departments are aided by the Manufacturing Laboratory, with 122 technical specialists and 68 supporting personnel who work with operating departments in developing more efficient and productive factory equipment and processes.

The number of General Electric people in research and development work within operating departments totaled an estimated 8,200 scientific and technical graduates and 12,500 supporting personnel. Representative of the advanced development work these laboratories undertake was the Silicone Products Department Laboratory's development of an economic method of synthesizing a new type of silicone rubber, called nitrile rubber, with unique oil- and heat-resistant qualities.



ULTRA HIGH-SPEED FLIGHT of space vehicles creates problems that are studied with experimental tools like this helium tunnel, as well as with huge shock tunnels designed by Research Laboratory scientists.

A CONTINUED HIGH LEVEL OF ACTIVITY IN PROMISING GROWTH BUSINESSES

Atomic power development: Three European power reactor orders were won in 1958 by General Electric's Atomic Power Equipment Department. The awards underlined the Company's world-wide leadership in harnessing the atom for peaceful power generation. The orders were for—

—a 15,000 kw boiling water reactor for West Germany's first nuclear power station,

—a 150,000 kw dual-cycle boiling water reactor plant for Italy. General Electric won this contract in the world's first international reactor competition under World Bank sponsorship, which attracted bids from 14 leading nuclear reactor builders in this country and abroad,

—a 15,000 kw boiling water reactor which will be installed in Switzerland.

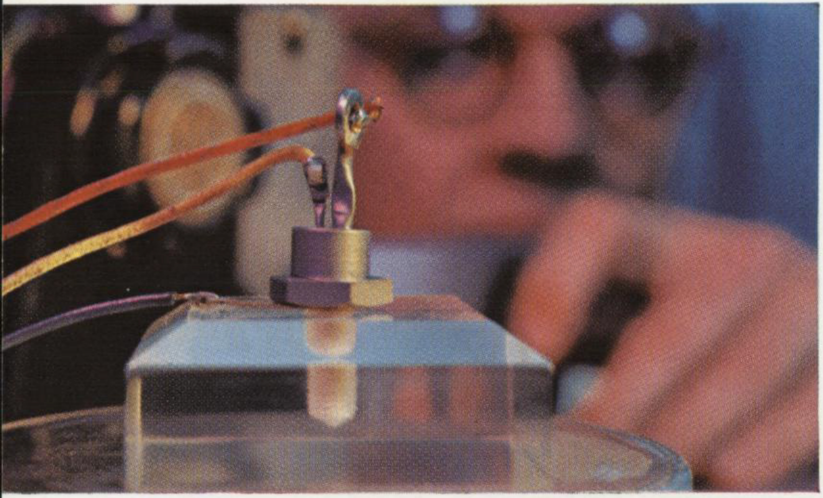
These orders raised to 18 the number of reactors to be undertaken by the Department—12 for research and test purposes and 6 for production of atomic electric power. Four research and test reactors built by the Department went into operation in 1958.

In 1958 the Company proposed to electric utility leaders and the government a two-phase program to accelerate atomic power development by private industry. One phase, "Operation Sunrise," calls for an accelerated atomic technical development program to achieve competitive nuclear power in domestic high-cost fuel areas by 1965 through intensive development of boiling water reactor systems.

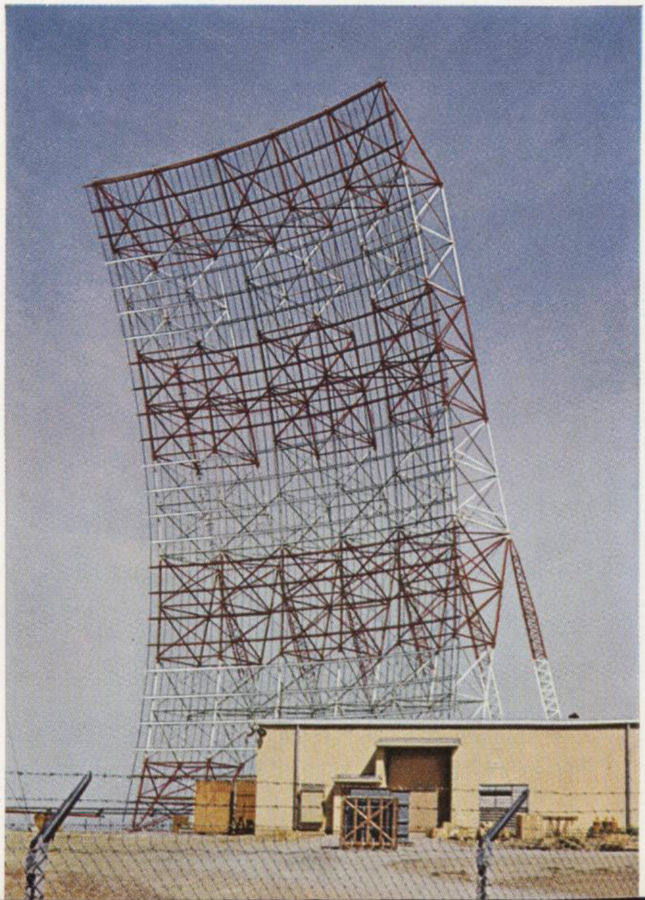
The first of five developmental plants of the Operation Sunrise phase is now under construction—a 50,000 kw unit for Pacific Gas & Electric Company.

The other phase is a "know-how" or educational program to accelerate operating field experience in atomic energy, including operation of small boiling water reactor systems such as that now operating at the Company's Vallecitos Atomic Laboratory at Pleasanton, California.

The number of General Electric employees working on atomic projects in 1958 totaled 14,600 and included employees engaged in: commercial atomic power development, as discussed above; development of reactors for ship and submarine propulsion (including reactors for the world's largest submarine, the Triton) at Knolls Atomic Power Laboratory in Schenectady, N. Y.; production of plutonium for the Atomic Energy Commission at Hanford, Wash.; and the building of aircraft nuclear propulsion systems at Evendale, Ohio and Idaho Falls, Idaho.

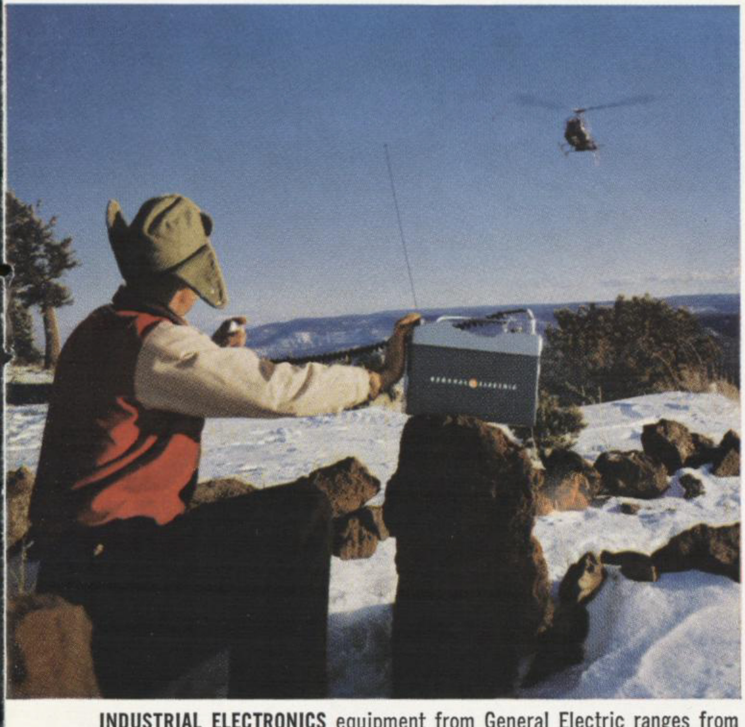


ELECTRONIC COMPONENTS from General Electric include this new silicon controlled rectifier—a tiny, compact unit capable of replacing large, complex tubes in controlling and converting large amounts of electric current.



DEFENSE ELECTRONICS contributions by General Electric include one of the largest and most powerful radar systems yet constructed. Unit at right has given the U.S. Air Force valuable information on how to design a ballistic missile early warning system.

LARGEST ALL-NUCLEAR POWER PLANT yet scheduled for U.S. is being pushed to completion at Dresden, Ill., by General Electric for Commonwealth Edison Company and Nuclear Power Group, Inc. Its 180,000 kilowatt reactor system will begin producing atomic-electric power in 1960.



INDUSTRIAL ELECTRONICS equipment from General Electric ranges from computer systems and automation equipment to two-way radio communications products, here used to direct commercial helicopter's flight.

Electronics: General Electric has played a leadership role in four great surges of growth in the electronics business — including the pre-World War II growth in radio, the wartime growth of radar, the postwar boom in commercial television, and the current strong growth patterns in military and industrial electronics.

General Electric's defense electronics business continues to grow. Rising investment in Company-owned facilities, particularly for research and development, indicates the Company's ability to serve electronic defense needs.

Already the Company's industrial electronics business is overtaking the dollar volume of its business in consumer electronics. With continued investment in new facilities and a broad range of products, the Industrial Electronics Division is prepared to help industry accelerate use of electronic controls and systems in production and other operations.

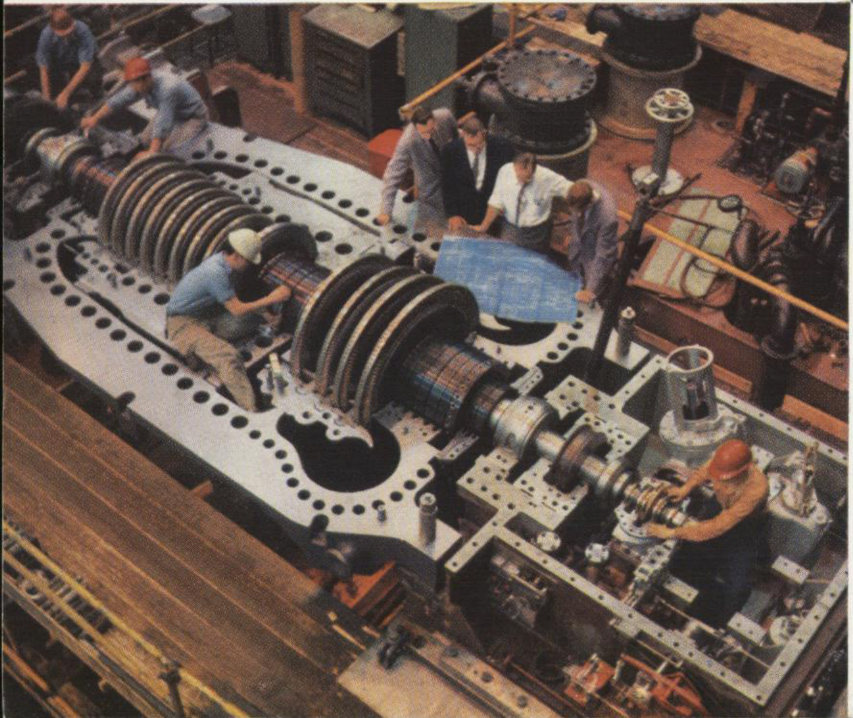
In addition, General Electric is a leading supplier of electronic components. Semiconductors, including transistors, are a particularly active area of growth for the Company. To provide "growing room" for this business, the Company rearranged its electronics facilities in 1958, providing advanced new production facilities in Buffalo, N. Y.

DEVELOPING THE CLIMATE FOR GROWTH

REPRESENTATIVE GROWTH AREAS OF THE COMPANY'S BUSINESS

◀ **High-Voltage Transmission**—One way to deliver more power to America is to boost the voltages of power transmission lines. Advances in this technology also promise major economies in getting electricity to the ultimate user. As the nation's demand for electric power follows its expected rise toward three trillion kilowatt hours in 1979, bold new approaches toward the use of super voltages will be necessary. In anticipation of this, General Electric announced in 1958 its plans for a five-year project to build an experimental transmission line to carry electricity at unprecedented voltages. The project marshals the development efforts of 15 Company product departments having an interest in helping utility customers prepare for a new surge of service and growth. Photo at left shows development work on super-voltage components.

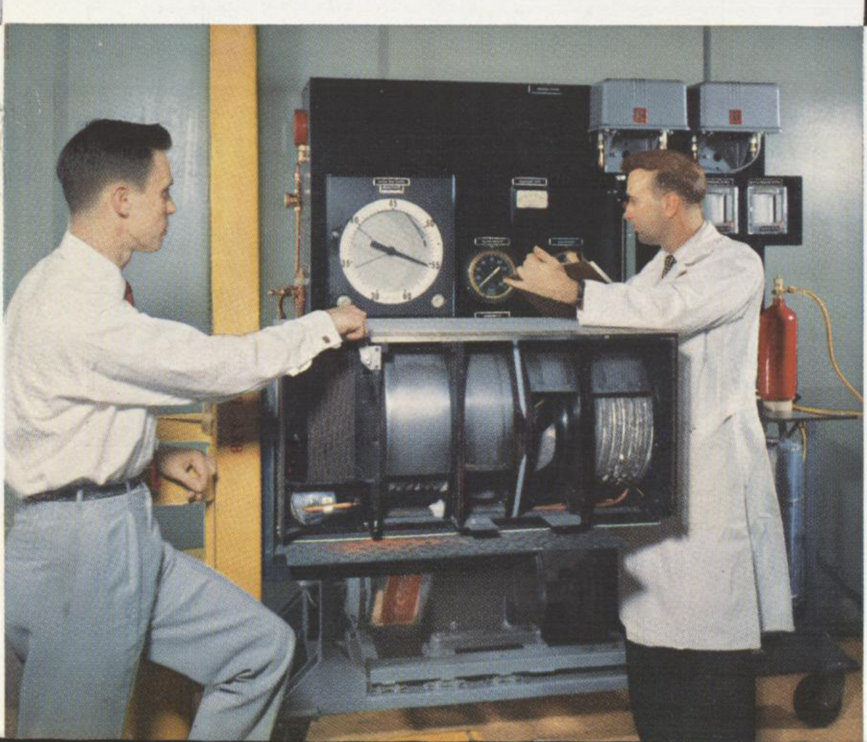
Commercial Jet Engines—1958 saw the beginnings ▶ of a massive swing toward jet passenger transportation by the major airlines. General Electric's Aircraft Gas Turbine Division emerged as a strong contender in the business of designing and building commercial jet engines, supplying its CJ-805-3 engines to the new Convair 880, as pictured at right, and its CJ-805-21 to the Convair 600. Precisely controlled electric power for these jetliners is provided by the Company's generating and constant speed transmission equipment. Expanding commercial applications also include the Company's small gas turbine engines such as the T58 for commercial helicopters. The Instrument Department is also developing a growing business in precision instruments for the new jets.



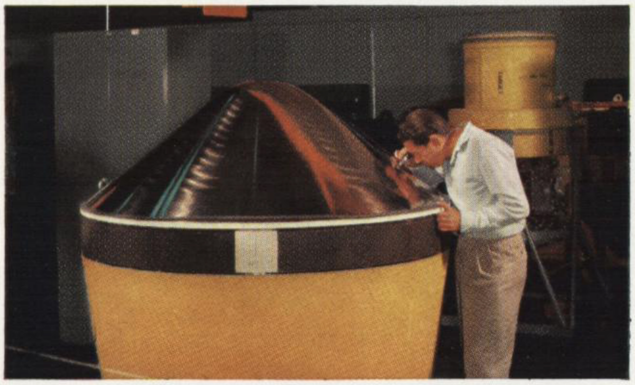
◀ **Giant Steam Turbine-Generators** for production of electric power represent an area of intensive research and development by General Electric. With continued increases in demand for electric energy, utilities are looking to larger and larger steam turbine-generators capable of greater efficiencies in power production. The world's largest steam turbine-generator now in operation—a 335,000 kw unit—was designed and built by the Large Steam Turbine-Generator Department. The Department is building a 500,000 kw cross-compound unit, has completed design studies for a 600,000 kw unit, and foresees units of a million kilowatt capacity as entirely feasible. The Department was, at the end of 1958, well along in a multi-million-dollar program of installing advanced new equipment for building these giant power-makers.

◀ **Computers**—New facilities for development and production of computers formed a major plant expansion project for General Electric in 1958, and indicated the Company's belief in computers as a promising growth business. Primary emphasis is on computers as electronic brains for controlling systems and for solving specialized problems for industry and business, rather than general-purpose computers. Computer system at left will provide a complete automatic system for banks, reading and sorting 750 checks a minute, determining adequacy of customers' funds, holding up checks that are not covered, computing new balances and issuing monthly statements. Similar complexes of computer systems are being developed by the Company for customers in many other industries.

Lexan® Plastics—Development by the Company's Research Laboratory of a new plastic material of exceptional toughness and strength was described in the 1957 Annual Report. In the year since, the Company's Chemical Materials Department has put its new Lexan polycarbonate resin into limited production at Pittsfield, Mass. The new facility and some typical parts molded of Lexan are shown at right. Because of its toughness, strength, heat resistance, dimensional stability and desirable electrical properties, this material is finding broad application in industry. Parts molded of Lexan are now being used in aircraft, business machines, ranges, TV, instruments, electronic equipment and cameras. This new development provides a major new plastic for the American market, a useful new material for General Electric products, and a significant new business for the Company. ▶



◀ **Home Products**—Engineers at work on a new type of zonal heat pump (left), now undergoing extensive field testing, symbolize General Electric's efforts to develop new concepts and new directions of growth in electrical home products. This new product, called Thermaline, will provide all-electric heating and cooling by zones or rooms within the house. Similar "technological rebirth" is evident in electric irons, radios, refrigerators, lamps, toasters, fans and other consumer products. The Company's new spray-steam iron is already outselling the conventional steam iron; the Toast-R-Oven is overtaking prior toasters. Thus General Electric looks to research and development as the source of new products and new features that will bring continuing progress to the business of helping families live better . . . electrically.



EXTENDING

The wide variety of electronic devices and components whose operation must be coordinated perfectly in guiding a missile's flight through space comprises a complex electronic "system." In 1958 General Electric continued to place heavy emphasis on systems development, in order to extend the "systems approach" to many new applications.

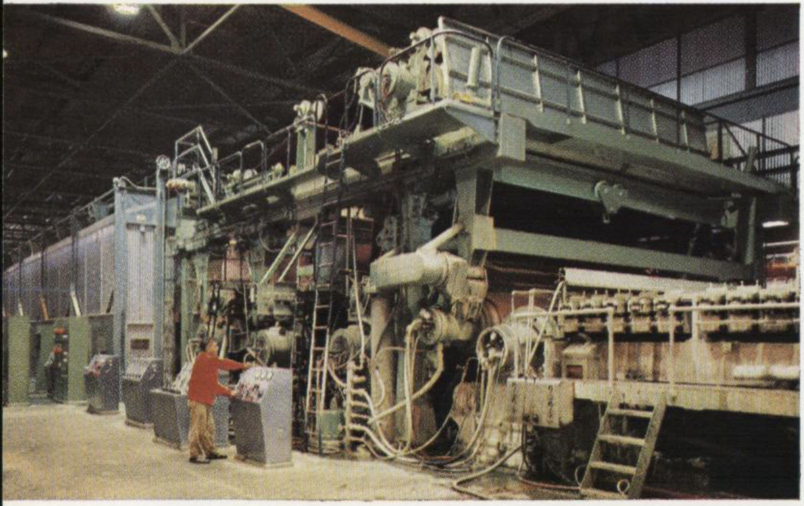
In essence, the systems approach is a matter of vision, calling for the technical scope to integrate many diverse components into an efficient, smoothly working whole.

Indicative of the Company's efforts to break new ground in military systems development was the formation of a new Defense Systems Department whose aim is to help General Electric to focus its managerial and technical resources on advanced systems for the Army, Navy and Air Force.

Although military systems have brought a new wave of interest in this field, General Electric has for many years worked with utilities in developing complex electric power network systems. As shown on these pages, advanced new systems developed by General Electric are bringing new efficiencies to many additional customers.

Systems development is helping industry increase its productivity through the integration of basic power-converting machinery with equipment that senses, regulates, programs, logs and computes. General Electric is developing systems which give management closer control over production and distribution. Typical is a system using magnetic tapes or punched cards to control metalworking machinery. These systems extend the advantages of flexible and economical automation to small-lot manufacturers.

SYSTEMS FOR DEFENSE developed by General Electric include the giant antenna-reflector at top, used at Arctic Air Force base to bounce signals off the troposphere. The Company is also at work on Thor and Atlas nose cones which re-enter earth's atmosphere after rocket's flight (center), and on the radio command guidance system for the Atlas, which placed this missile in orbit.



SYSTEM FOR A PAPER MILL, developed by General Electric, utilizes transistor circuitry to provide highly accurate speed control in equipment enabling Southwest producer to turn out one-half mile of newsprint a minute.

NEW SYSTEMS FOR UTILITIES include this economic dispatch computer which solves complex calculations instantaneously. It automatically schedules optimum flow of power for much of the Northeastern U.S.

THE "SYSTEMS APPROACH"

SYSTEM FOR STREETLIGHTING coordinates new type of General Electric luminaires with radio control equipment which electronically switches system's lights on and off at the appropriate intervals. Quadruple fluorescent luminaires make Chicago's State Street the best-lighted street in the world.

SYSTEM FOR STEEL MILL at left is industry's first automatic gage-control system for hot-strip mill, making possible increased yields and higher quality steel. Rolling mill's drive equipment is coordinated with controls that regulate pressure and tension of steel production. Ultra-violet light is used to illuminate control panel.

IMPROVED MANUFACTURING AND LABORATORY FACILITIES PREPARE

INVESTMENT IN RESEARCH AND DEVELOPMENT FACILITIES by General Electric in 1958 included new Test Reactor facility (foreground) added to the Vallecitos Atomic Laboratory at Pleasanton, California. The Vallecitos Boiling Water Reactor (left) completed a full year's operation in 1958.

COMPANY PLACES MAJOR EMPHASIS ON PROGRESS IN QUALITY

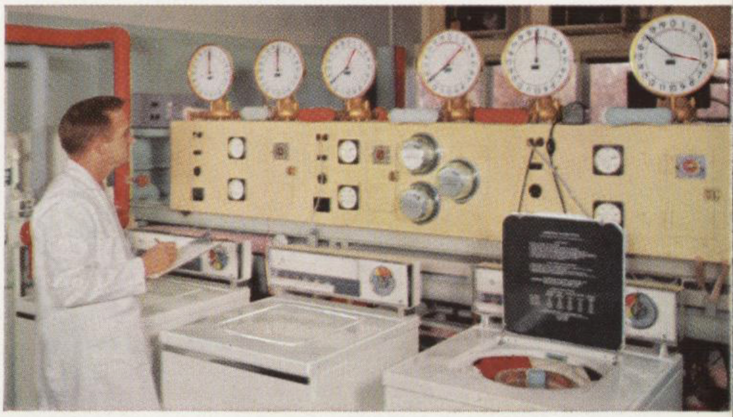
General Electric recognizes the industry-wide problems of product quality and after-sale service in electrical home products as strong hindrances to the industry's realization of its full growth potential. General Electric aims to be a pacesetter in solving these problems. A three-phase program is being implemented:

1. Continuing development of product quality. In addition to such methods as improved quality control equipment as pictured at right, General Electric is stressing *maturity* of design in consumer products—that is, design that emphasizes soundness and reliability of operation rather than features that are new merely for newness' sake.

2. Improvement of after-sale service. Extensive experimentation in better service methods is under way. This includes the establishment of centralized service facilities, arrangements by which several dealers are served by one well-staffed and well-equipped service agency, and better field training of service personnel.

3. Development of customer understanding, including improved understanding of the correct use of products and of the economic worth of good service.

By such means, the Company's concern for customer confidence and good will is being translated into specific, positive steps aimed at keeping the name of General Electric deservedly synonymous with high quality.



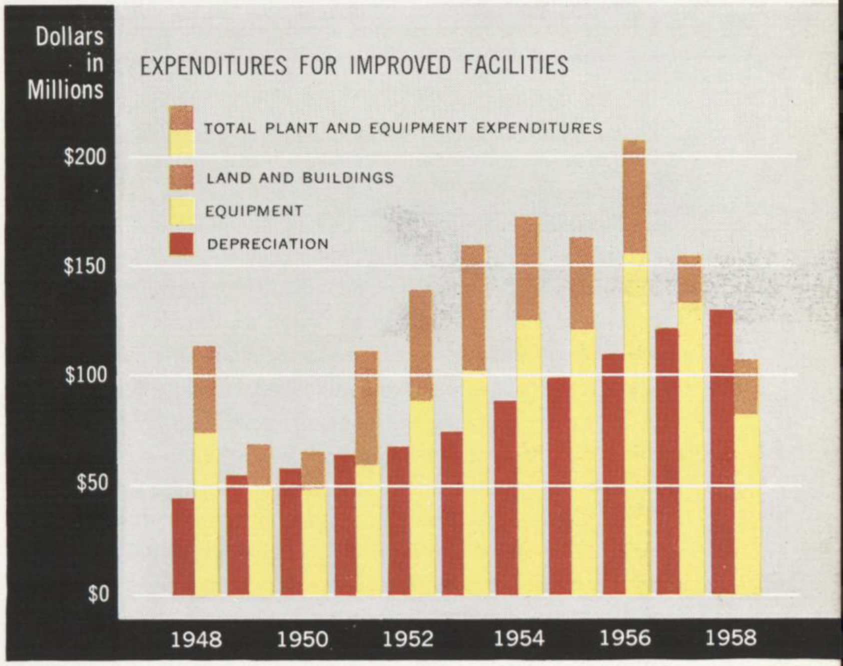
INVESTMENTS IN QUALITY CONTROL EQUIPMENT represent one way in which General Electric seeks to market only high-quality products. Equipment above gives washers tougher tests than any they meet in normal use.

GENERAL ELECTRIC TO SERVE EXPANDING MARKETS

General Electric's 1958 investment in expansion and modernization of manufacturing and laboratory facilities totaled $104.1 million, compared with an investment of $153.6 million for this purpose in 1957.

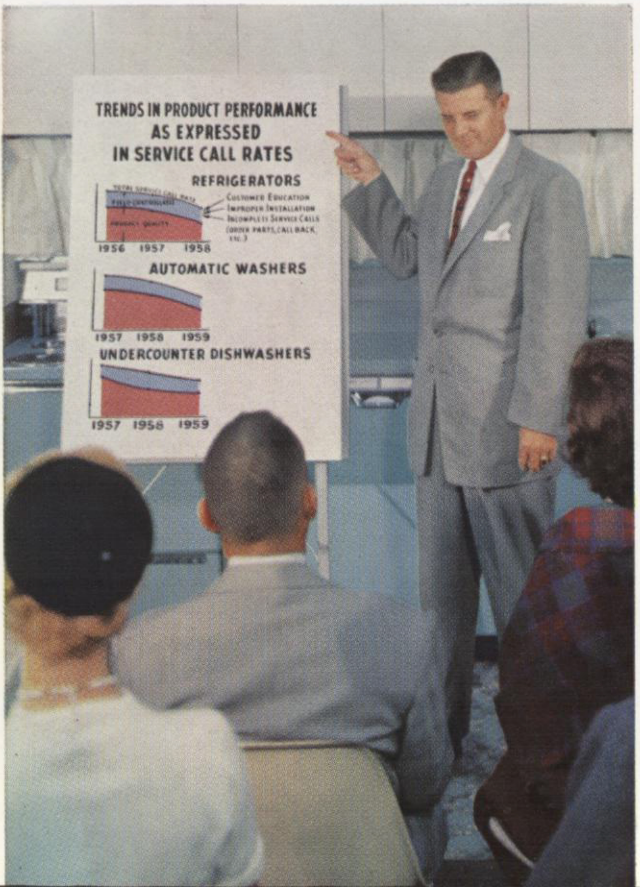
Although this expenditure, and that planned for 1959, are smaller than similar investments in preceding years, each dollar is achieving more positive results in advancing the Company's productive facilities. One reason for this is that the Company's program for relocating businesses overcrowded in some older and larger manufacturing locations, as discussed in preceding Annual Reports, has been largely completed. Another reason is that a high percentage of the Company's investment is going for productive equipment rather than for land and buildings. Of the 1958 expenditures, 76% was for equipment, compared with 24% for land and buildings.

Provision for depreciation and amortization in 1958 was $124.5 million. Five-year amortization under certificates of necessity totaled an estimated $11.3 million, of which $4.8 million was in excess of normal depreciation. At year's end, certificates of necessity were in force for facilities having an estimated cost of $221.2 million. Approximately 64% of this amount will be amortized over a five-year period, the balance being depreciated at normal rates.



MODERNIZATION AND EXPANSION PROGRAM brought to 166 the number of plants utilized by General Electric at the end of 1958. From 1951 through 1956, the Company accelerated its improvement of manufacturing and laboratory facilities to be fully prepared for the period of expansion lying ahead. These facilities could not again be acquired at such reasonable cost.

AND AFTER-SALE SERVICE OF HOME PRODUCTS



CENTRALIZED SERVICE FACILITIES such as those provided by this new St. Louis, Mo., facility are being extended in larger metropolitan markets. These provide uniformly better and more efficient service for customers.

BETTER PERFORMANCE by General Electric household appliances is indicated by chart showing decline in in-warranty service calls.

EMPLOYEE PROGRAMS FOR INDIVIDUAL DEVELOPMENT, INCENTIVE

How well General Electric is able to realize its full potential for growth is related directly to the abilities of its employees to meet the challenges ahead. The employee who continues to develop his abilities makes a real contribution toward providing the continuity of strong and mature leadership necessary for developing the business and for handling the increasingly complex technologies of the future.

During 1958, General Electric sought to further develop an on-the-job atmosphere providing opportunities and incentives for individual development and achievement.

Company-conducted courses were offered in virtually all the major areas of the business, including advertising, atomic development, chemistry and metallurgy, engineering, finance and accounting, manufacturing, marketing, physics, and public and employee relations.

Emphasis continued to be placed on providing opportunities for study of the professional work of managing. A total of 7,651 participated in management courses either at business locations or at the Management Research and Development Institute at Crotonville, N. Y.

PENSION TRUSTS for employees of General Electric Company and its subsidiaries (Millions)

Financial Position — December 31	**1958**	**1957**
Investments	$902.7	$810.7
Cash	2.9	1.9
Other assets	17.9	23.5
Total assets	$923.5	$836.1
Liability to pensioners	$174.6	$165.4
Reserve for pensions to participants not yet retired	748.9	670.7
Liabilities and reserves	$923.5	$836.1
Operating Statement		
Total assets—January 1	$836.1	$745.2
Plus: Company contributions	53.3	59.9
Employee contributions	20.7	21.9
Investment income	35.6	29.1
	945.7	856.1
Less: Pensions paid	22.2	20.0
Total assets—December 31	$923.5	$836.1

ABOVE STATEMENTS FOR PENSION TRUSTS are condensed version of information presented in more detail to employees, along with information on other benefit plans, in General Electric employee publications.

NEW SAVINGS AND SECURITY PROGRAM

The new General Electric Savings and Security Program, which became effective January 1, 1959, offers to eligible employees opportunity to start a regular, convenient, substantial and personal investment program—

—to meet financial emergencies resulting from such events as layoff for lack of work, total and permanent disability, death, or even a strike,

—to meet special longer-term needs or desires such as an unusual vacation trip, a new house, a college education for the children, or a fund for the general improvement of the family's status.

Under the Program each eligible employee can save up to 6% of pay through convenient payroll deductions which are put into his personal account. To this the Company adds a proportionate payment of 50% (up to 3% of pay). During the year 1959 the Company payment will be equal to 3% of pay if 3½% or more of pay is saved by the employee. In addition, by enrolling before December 1, 1958, he qualified for a special incentive of up to one share of stock to be credited to his account as provided by the Program.

Savings will be invested in United States Savings Bonds, or an employee may elect to have up to one-half of his own savings invested in General Electric common stock, and have the Company payment invested either all in Bonds or all in such stock.

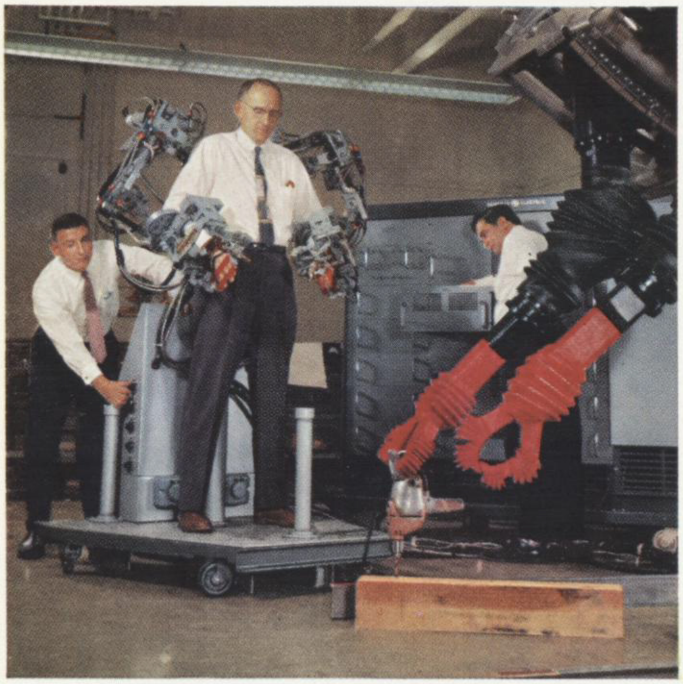
After the required holding period, a participant will receive the applicable securities from his account and can use them for whatever purpose he chooses. In the meantime, the Program makes funds available in case of financial emergency. The employee can withdraw his own savings at any time for any purpose.

The Program is made possible through a rearrangement of the expenditures for pay and benefits previously contemplated. The Program is to be presented to the share owners of General Electric Company at their next Annual Meeting for approval.

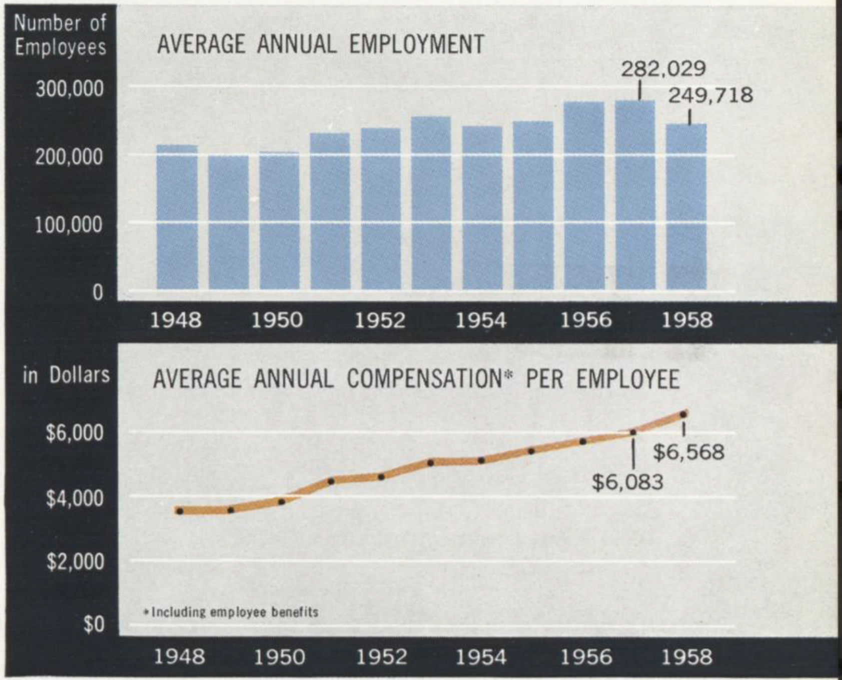
A total of 109,959 employees—about 90% of those eligible—elected to participate. Participation of most employees who are in bargaining units was prevented by non-acceptance of the Program by their union representatives.

A total of $123 million represented the Company's 1958 cost for other employee benefit plans, including $53 million for the Company's pension plans (shown in table above); $26 million for the Company's insurance plans; almost $6 million representing the market value of shares for bonuses to participants in the General Electric Savings and Stock Bonus Plan; nearly $1 million representing payments under the Suggestion Plan; and $34 million for social security taxes such as old-age and survivors' insurance and unemployment insurance.

AND SECURITY



MEN TO HANDLE COMPLEX TECHNOLOGIES are one of the great resources General Electric contributes to the nation's security and progress. These engineers in the General Engineering Laboratory developed the manipulator shown above for use in work on aircraft nuclear propulsion.



GENERAL ELECTRIC EMPLOYMENT in 1958 reflected decreased demand for Company products by customers, but improved in the last quarter. Total employee compensation including benefits was $1,640 million. Average investment behind a new production job equalled an estimated $16,000.

INCENTIVES FOR KEY EMPLOYEES

The 1957 Annual Report described in detail General Electric's structure of compensation which endeavors to provide strong financial incentives for every employee. Of the Company's varied compensation plans, two are especially designed to attract, retain and motivate sound leadership.

The Incentive Compensation Plan, as amended by the holders of 98.5% of the shares voted at the 1958 Annual Meeting, provides incentive for certain employees whose responsibilities and duties are such that they earn salaries at annual rates which, at the end of the applicable year, total $15,000 or more (adjusted for changes in the Exempt Salary Structure). The amounts allotted to participants in any given year vary in accordance with how well the year's objectives are met by the Company as a whole, by the component for which the individual works, and by the individual himself. Allotments made in 1958 for outstanding performance in 1957 amounted to $14,059,223 for 2,253 employees.

A new restricted Stock Option Plan, based on the Company's experience during the five years in which the previous plan was in effect, was approved by 98.4% of the votes cast at the 1958 Annual Meeting. These plans provided a continuing incentive for more than 1,100 managers and other key employees during 1958. Participants in the plans do not benefit unless the market price of the Company's stock rises, thus benefiting all share owners. As a further inducement for employees to remain with the Company, options may be exercised only after annual installments mature, generally over a period of nine or ten years, as the individual remains in the Company's employ.

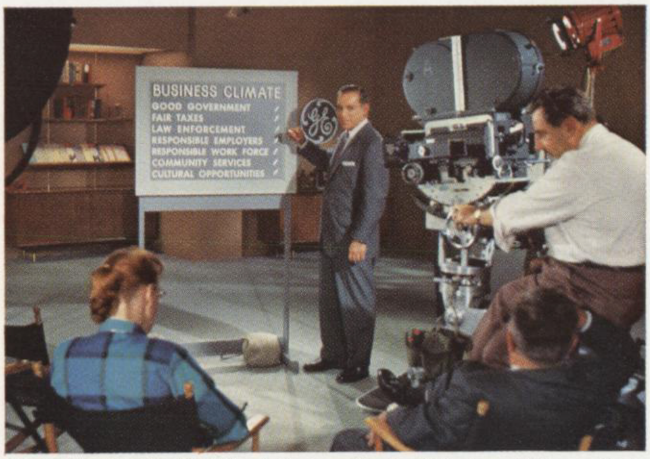
Additional stock options were granted during the year for 64,492 shares. In 1958, shares deducted from original grants because of such reasons as deaths, retirements and withdrawals totaled 128,388. Options for 2,483,876 shares outstanding at the end of 1958 were held by 1,156 individuals. 1,472,484 shares were available for the granting of additional options. A summary as of December 31, 1958:

Year of grant	Average option price	Net original grants*	Installments not yet exercisable	Exercisable installments as yet unpurchased	Shares purchased in 1958
1953	$23.89	2,085,833	909,317	160,496	221,742
1954	45.00	584,098	306,629	182,056	44,974
1955	52.25	677,218	440,894	204,117	17,910
1957	65.76	215,875	191,014	24,861	—
1958	64.88	64,492	64,492	not yet exercisable	
		3,627,516	1,912,346	571,530	284,626

*After deducting terminations because of such reasons as deaths, retirements and withdrawals.

TOWARD A BETTER BUSINESS CLIMATE

PARTICIPATION IN BUSINESS CLIMATE IMPROVEMENT is urged as an essential part of the business leader's responsibilities by Hoyt P. Steele, manager of General Electric's Government Relations Service.



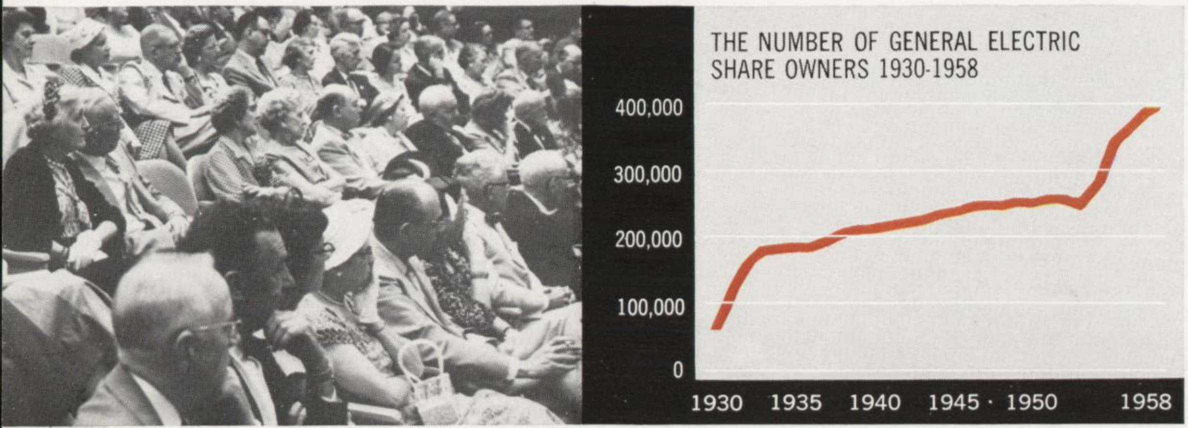
NATIONAL UNDERSTANDING of the benefits to all that result from efforts to develop a better business climate is sought by General Electric through such means as the General Electric Theater on television.

Social, economic and political conditions will strongly influence whether or not General Electric or any other company will realize its full potential for growth and service to its customers in the years ahead. In General Electric's forward planning, the conditions which make up the business climate in which the Company must operate are being given as much attention as those matters which concern product design, manufacturing and marketing.

The Company encourages its managers and other employees to look upon the improvement of this business climate as a regular part of their assignments. During 1958, managers in an increasing number of the Company's operating departments joined with other businessmen and civic leaders in their communities to define conditions encouraging to business, and thus to community welfare, and to create greater public awareness of the important part that business activity plays in this community life.

The essential elements of a healthy business climate include the development of a progressive community spirit, an efficient and fair government, and sound working relationships between employers and employees, with compensation practices equitable to customers and employees alike. Other factors of a sound business climate include qualified people to fill employment needs, appropriate school facilities and educational opportunities, a healthy social and cultural atmosphere, and a progressive attitude among business citizens.

All share owners can benefit through helping develop public awareness of these other forces, including the political, which are an increasingly important influence on the Company's profitability, and which affect General Electric's ability to make its full contribution in the public interest.



PARTICIPATION BY SHARE OWNERS in business climate improvement was the subject of experimental share owner meetings in Louisville, Ky. and Syracuse, N.Y. Chart shows that share owners form a force nearly 400,000 strong, capable of exerting a powerful and constructive influence in developing a more effective business environment for the benefit of everyone.

1958 FINANCIAL SUMMARY

(Amounts in millions)

	1958	**1957**	**1956**
Net sales billed	$4,120.8	$4,335.7	$4,090.0
Nonoperating income—net	35.2	30.0	22.5
Total revenues	**4,156.0**	**4,365.7**	**4,112.5**
Materials, supplies and all other costs	1,792.2	2,017.8	2,134.7
Total employee earnings and benefits	1,640.2	1,715.3	1,643.8
Depreciation and amortization	124.5	119.9	108.7
Interest and other financial charges	11.4	11.2	9.5
Taxes and renegotiation	292.7	311.8	259.6
Adjustments:			
Decrease or *Increase* in inventories	135.0	22.6	*179.3*
Less employment costs for U. S. Gov't. atomic projects	*82.9*	*80.8*	*78.3*
Total costs and expenses applicable to sales	**3,913.1**	**4,117.8**	**3,898.7**
Net earnings	**$ 242.9**	**$ 247.9**	**$ 213.8**

Consolidated financial statements appear on pages 28-31.

Net sales billed in 1958 totaled $4,121 million—5% below 1957 sales and 1% above those for 1956. Sales of defense departments gained over the prior year while other areas—heavy capital goods, components and materials for industrial customers, and consumer goods—showed declines. See pages 2 through 5 for details of sales trends.

Nonoperating income increased by $5.2 million, or 17%, over 1957. The increase resulted mainly from (1) additional income from holdings of marketable securities, and (2) increases in dividends from foreign nonconsolidated subsidiaries.

Material prices held approximately even, on the average, principally because of a lower level of prices for non-ferrous metals, which partly offset higher prices for other materials. Toward the end of 1958, non-ferrous metal prices started upward again, leading to generally higher material prices at the close of the year.

Compensation per employee rose to a new high of $6,568 in 1958 from $6,083 in the prior year. Total employment costs, at $1,640.2 million, were lower than the $1,715.3 million paid in 1957. This resulted principally from the decline in average number of employees—from 282,029 in 1957 to 249,718 in 1958 (see chart on page 23).

Depreciation and amortization totaled $124.5 million, an increase of 4% over the similar provision for 1957. This compared with 1958 plant and equipment expenditures of $104.1 million (see page 21).

Interest and financial charges amounted to $11.4 million, about the same as in 1957. Most of this amount represented interest on the Company's 1956 debenture issue.

The provision for Federal and Canadian taxes on income, and for renegotiation, amounted to $242.2 million in 1958, a decrease of 7% from this provision for 1957. Other taxes, consisting principally of state and local income, franchise and property taxes, amounted to $50.5 million, a decrease of 3% from the prior year. General Electric's total tax and renegotiation liability to the various national, state and local governments in 1958 amounted to $3.34 a share of common stock—56¢ a share more than net earnings.

Adjustments of total costs and expenses include the change in total costs and expenses which remain in inventory at the end of the year, and the removal of employment costs, applicable to atomic projects, which are directly reimbursed by the Atomic Energy Commission.

Net earnings of $242.9 million, or $2.78 a share, represented a decrease of 2% from the $2.84 a share earned in 1957, but were 14% above the $2.46 a share earned in 1956. Earnings as a percentage of the sales dollar amounted to 5.9% in 1958, compared with 5.7% in 1957 and 5.2% in 1956 (see page 6).

Dividends declared amounted to $2.00 a share in 1958, a total of $173.7 million. This represented 71% of net earnings, compared with 70% for 1957, when dividends declared were also $2.00 a share (see page 6).

Net working capital (the excess of current assets over current liabilities) amounted to $704.6 million at the close of 1958, an increase of $87.5 million during the year. A summary of the changes in net working capital follows:

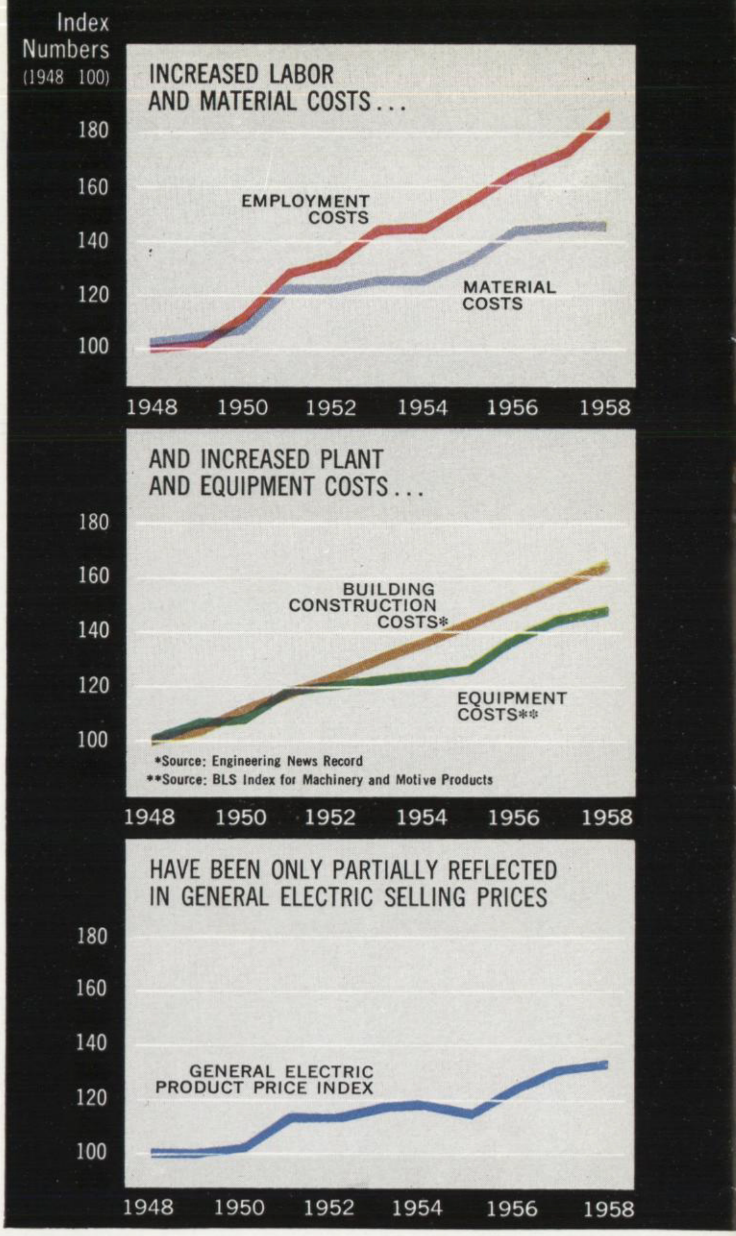
	(In millions) 1958	1957
Additions to net working capital		
Net earnings for the year	$242.9	$247.9
Depreciation for the year	124.5	119.9
	367.4	367.8
Uses of net working capital		
Expenditures for plant and equipment	104.1	153.6
Dividends on common stock	173.7	173.2
All other—net	2.1	12.7
	279.9	339.5
Increase in net working capital	$ 87.5	$ 28.3

Cash and marketable securities increased from $256.5 million to $478.5 million during 1958. A principal reason for the higher cash and marketable securities total at the close of 1958 was the reduction achieved in receivables and inventories during the year.

Receivables, less reserves, at $519.7 million, declined $55.3 million during the year, partly as a result of more rapid collections from customers.

Net inventories, at $610.5 million, declined by $135.0 million during 1958, a decrease of 18% compared with a sales decline of 5%. The more favorable relationship of inventories to sales was achieved by improvements in production, ordering and inventory scheduling.

The Company's investments amounted to $157.4 million at December 31, 1958, an increase of $7.0 million over investments one year earlier. Details of the investment account are shown on page 30, and note 3 describes the basis on which these investments are carried.



*Source: Engineering News Record
**Source: BLS Index for Machinery and Motive Products

Investment in General Electric Credit Corporation ($95.7 million) represented the Company's equity in and advances to this nonconsolidated subsidiary at the close of 1958. This subsidiary financed new contracts totaling $534 million during 1958, an 18% decrease from 1957 volume. Its net earnings, which are included in current earnings of the consolidated companies, totaled $8.3 million in 1958, a 4% increase over 1957 earnings.

Investment in nonconsolidated foreign subsidiaries is the total of the cost ($25.6 million) of the Company's equity in these subsidiaries plus advances ($11.4 million) to these companies. The Company's equity in stock and reinvested earnings of these companies, after provision for possible foreign exchange adjustments, was approximately $27.4 million more than the cost of these investments.

Investment in the Company's common stock was for 437,435 shares at the end of 1958. A summary of changes during the year appears on the next page.

INFLATION AND THE SHARE OWNER

The inflationary forces that have reduced the purchasing power of the dollar to less than half its value in 20 years include two that should be of particular interest to share owners:

—Government expenditure policies that tend to exceed the country's tax-collecting ability and result in deficit financing and increases in the money supply; and

—The monopoly power of labor unions in major areas of the economy to force unrealistically high wage commitments which must be accommodated by further inflation.

The effects of these inflationary pressures include the erosion of the value of savings whether such savings are in the form of bank accounts, savings bonds, life insurance, or old-age pensions. For example, with price inflation of only 3% a year, the dollar saved by a person at age 25 will have lost over two-thirds of its purchasing power by the time he is 65. Such a trend brings hardships for almost everyone, and especially for pensioners and others with fixed incomes in spite of good prior planning for their retirement.

Owners of common stocks are not immune from the effects of inflation. Although ownership of common stocks is generally regarded as one of the effective hedges against inflation, no savings program can be absolutely immune from the forces that disrupt the structure of the economy, and share owners should be aware of the possible detrimental, long-term effects of inflation on their investment.

For example, the market prices of stocks in the long run are based largely on the present and anticipated earning power of companies. If costs rise faster than they may be offset either by increased productivity or by customers accepting higher selling prices, earnings will decrease—and so, generally, will the relative price of the stock.

Also, inflation erodes the capital of business enterprise because unrealistic Federal tax laws prevent recovery of the cost of replacement of capital assets to assure the continuation of the business. Taxation of these unrecovered costs as "earnings" diverts share owners' capital to the government. In General Electric's case, as discussed in last year's Annual Report, depreciation as presently allowed will fall approximately $900 million short of recovering the amount necessary to continue in place existing productive capacity.

These illustrations make it clear that owners of common stocks, as well as those with fixed incomes, will gain more by helping to stop inflation than by attempting to avoid its effects.

Management's efforts to offset increased costs by higher sales and improved efficiency have been vigorous. While some increases in prices have been necessary, increased costs have only been partially reflected in General Electric selling prices, as shown in the charts at the left. In its efforts to lessen the impact of inflationary pressures on the Company's progress and growth, management will place strong emphasis on further advances in technology and higher sales volume. Management will work toward greater public awareness of the seriousness of inflation.

Share owners can help by supplementing management's efforts to develop better understanding of inflation by the public and its representatives. Owners can also help to marshal public support for sound legislative and administrative measures to check inflation. Areas needing particular emphasis include:

—The moderation of government spending so that taxes will be sufficient to avoid further deficits that must be accommodated by money creation;

—Amendment of the Employment Act so as to make the stability of the dollar a prime requirement and objective in government fiscal and welfare policies;

—Development of public understanding and support for efforts to moderate the unions' drive to enforce inflationary wage settlements and the cheapening of the dollar that must accompany such settlements.

In the period ahead, the essential economic decisions that will check the ravages of inflation must have the backing of an informed and alert citizenry.

	Number of shares
Shares of General Electric common stock held at January 1, 1958	336,762
Acquired during the year	268,258
	605,020
Used during 1958	
In lieu of cash payments under the Incentive Compensation Plan	
Delivered to participants	69,046
Transferred under deferred provisions	24,787
Requirements for 1958 under the General Electric Savings and Stock Bonus Plan	72,522
Other awards to employees in lieu of cash	1,230
Total shares used	167,585
Shares held at December 31, 1958	437,435

In addition to this stock, at December 31, 1958 the Company was holding for ultimate distribution to employees on a contingent basis under the deferred compensation provisions of the Incentive Compensation Plan another 304,506 shares of General Electric common stock, allotted in lieu of cash for the years 1947 through 1957. The market value at date of allotment of these shares was carried under "Other Assets" as a part of funds for employee benefit plans, which was offset under "Other Liabilities" by an equal amount for this deferred incentive compensation.

Plant and equipment first cost at the end of 1958 amounted to $1,553.0 million, an increase of $41.2 million over the balance at the beginning of the year. The increase was accounted for by the addition of $104.1 million in expenditures for new plant and equipment, less $62.9 million in plant or equipment dismantled during the year.

Accumulated depreciation amounted to $840.3 million. The 1958 increase of $65.6 million was accounted for by $124.5 million in depreciation charged to income during the year, less $58.9 million applicable to dismantlements. Plant and equipment, less accumulated depreciation, at the close of 1958 amounted to $712.7 million (see page 21).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 31	
	1958	**1957**
Cash	$ 69,389,217	$ 68,012,490
Marketable securities at lower of amortized cost or market (equal to approximate market)	409,097,489	188,534,098
Receivables, less reserves*	519,700,556	575,026,758
Inventories, less reserves (Note 2)	610,478,191	745,459,210
	1,608,665,453	1,577,032,556
Less: Collections from customers on contracts in progress and anticipated price adjustments on contracts	227,493,069	251,251,382
TOTAL CURRENT ASSETS	1,381,172,384	1,325,781,174
Investments and advances, less reserve (Note 3)*	157,354,120	150,310,395
Plant and equipment, less accumulated depreciation*	712,669,927	737,116,613
Other assets*	169,742,787	148,110,422
TOTAL ASSETS	2,420,939,218	2,361,318,604
Bank loans of consolidated subsidiaries	5,350,000	3,050,000
Accounts payable*	131,048,832	122,584,154
Dividends payable	43,437,481	43,339,447
Federal, Canadian and other taxes accrued	253,750,555	277,640,912
Other costs and expenses accrued*	242,966,558	262,016,824
TOTAL CURRENT LIABILITIES	676,553,426	708,631,337
3½% debentures due May 1, 1976 (Note 4)	300,000,000	300,000,000
Other liabilities*	99,235,529	83,809,561
Deferred income (Note 5)	1,850,188	1,431,506
Miscellaneous reserves	30,713,703	34,539,241
Minority interest in Canadian General Electric Company, Ltd.	1,599,669	1,634,359
TOTAL LIABILITIES, RESERVES AND MINORITY INTEREST	1,109,952,515	1,130,046,004
Excess of assets over liabilities, reserves and minority interest—ownership	$1,310,986,703	$1,231,272,600
OWNERSHIP EVIDENCED BY:		
Common stock (Note 6)	$ 438,407,110	$ 436,983,980
Investment in excess of par value of common stock (Note 7)	64,057,172	55,018,406
Reinvested earnings	808,522,421	739,270,214
TOTAL SHARE OWNERS' INVESTMENT	$1,310,986,703	$1,231,272,600

*Details shown on page 30

CURRENT EARNINGS

	1958	1957	1956
Net sales billed	$4,120,769,801	$4,335,664,061	$4,090,015,685
Depreciation and amortization of plant and equipment*	124,547,160	119,913,466	108,650,473
All other operating costs, expenses and charges	3,534,681,546	3,726,531,220	3,570,464,717
Total operating costs, expenses and charges (Note 8)	3,659,228,706	3,846,444,686	3,679,115,190
INCOME FROM OPERATIONS	461,541,095	489,219,375	410,900,495
Nonoperating income:			
Net earnings of General Electric Credit Corporation	8,301,520	8,005,992	7,269,671
Miscellaneous other income—net	26,855,956	21,958,355	15,221,014
	35,157,476	29,964,347	22,490,685
Deduct: Interest and other financial charges	11,448,755	11,211,696	9,504,493
	23,708,721	18,752,651	12,986,192
EARNINGS BEFORE PROVISION FOR TAXES ON INCOME, AND RENEGOTIATION	485,249,816	507,972,026	423,886,687
Provision for Federal and Canadian income taxes, and for renegotiation	242,200,000	260,000,000	210,000,000
Net earnings before minority interest	243,049,816	247,972,026	213,886,687
Minority interest in subsidiary's net earnings	107,283	120,155	129,838
NET EARNINGS APPLICABLE TO THE COMPANY'S COMMON STOCK	$ 242,942,533	$ 247,851,871	$ 213,756,849
Net earnings per share	$2.78	$2.84	$2.46
Dividends declared per share	$2.00	$2.00	$2.00
Dividends paid per share	$2.00	$2.00	$2.00

REINVESTED EARNINGS

	1958	1957	1956
REINVESTED EARNINGS AT BEGINNING OF YEAR	$ 739,270,214	$ 664,584,515	$ 623,276,357
Add: Net earnings for year	242,942,533	247,851,871	213,756,849
	982,212,747	912,436,386	837,033,206
Deduct: Dividends declared	173,690,326	173,166,172	172,448,691
REINVESTED EARNINGS AT END OF YEAR	$ 808,522,421	$ 739,270,214	$ 664,584,515

*Details shown on page 30

DETAILS OF ITEMS IN STATEMENTS

	December 31 1958	 1957
RECEIVABLES:		
From nonconsolidated subsidiaries	$ 12,537,570	$ 18,585,034
Other, less reserves	507,162,986	556,441,724
	$ 519,700,556	$ 575,026,758
INVESTMENTS AND ADVANCES:		
General Electric Credit Corporation—Equity in net worth	$ 44,659,581	$ 36,358,061
—Advances	51,000,000	66,000,000
Jelco Corporation	40,584	—
Foreign nonconsolidated subsidiaries—Investments at cost	25,618,355	24,435,531
—Advances	11,418,140	10,793,029
General Electric common stock	23,024,052	14,706,739
Miscellaneous securities	9,093,408	5,517,035
	164,854,120	157,810,395
Less: Reserve	7,500,000	7,500,000
	$ 157,354,120	$ 150,310,395
PLANT AND EQUIPMENT:		
Plant and equipment at cost	$1,553,023,011	$1,511,832,594
Less: Accumulated depreciation and amortization	840,353,084	774,715,981
Cost less accumulated depreciation and amortization	$ 712,669,927	$ 737,116,613
OTHER ASSETS:		
Noncurrent receivables, less reserve	$ 50,574,832	$ 45,153,017
Advances to vendors and distributors	22,636,372	12,211,786
Funds for employee benefit plans and taxes withheld—per contra in Other Liabilities	54,660,360	48,064,677
Funds for payments under U.S. Government contracts—per contra in Other Liabilities	3,295,477	4,451,280
Deferred charges, less reserve	34,168,242	34,256,145
Securities deposited as guarantees	540,531	781,193
Loans and advances to employees	3,866,973	3,192,324
	$ 169,742,787	$ 148,110,422
ACCOUNTS PAYABLE:		
To nonconsolidated subsidiaries	$ 769,581	$ 1,817,860
Other	130,279,251	120,766,294
	$ 131,048,832	$ 122,584,154
OTHER COSTS AND EXPENSES ACCRUED:		
Payrolls accrued	$ 27,361,123	$ 27,073,836
Interest expense accrued	1,788,899	1,778,967
Other costs and expenses accrued—includes liabilities for replacements under guarantees, renegotiation, allowances to customers, employee benefit costs, etc.	213,816,536	233,164,021
	$ 242,966,558	$ 262,016,824
OTHER LIABILITIES:		
Noncurrent accounts payable and other accruals	$ 41,279,692	$ 31,293,604
Liability for employee benefit plans and taxes withheld—per contra in Other Assets	54,660,360	48,064,677
Liability for payments under U.S. Government contracts—per contra in Other Assets	3,295,477	4,451,280
	$ 99,235,529	$ 83,809,561

DEPRECIATION AND AMORTIZATION INCLUDED IN COSTS

Year	Normal depreciation	Amortization in excess of normal depreciation	Total depreciation and amortization
1956	$100,361,528	$8,288,945	$108,650,473
1957	112,789,274	7,124,192	119,913,466
1958	119,738,754	4,808,406	124,547,160

PLANT AND EQUIPMENT ADDITIONS AND DISMANTLEMENTS

Year	Additions	Dismantlements	Accumulated depreciation on dismantlements
1956	$205,215,636	$50,059,624	$45,949,563
1957	153,642,745	61,489,066	51,573,281
1958	104,126,120	62,935,703	58,910,057

NOTES TO FINANCIAL STATEMENTS

Note 1 — Basis of Consolidation — These financial statements and accompanying schedules represent a consolidation of the accounts of the Parent Company—General Electric—and those of all wholly owned or substantially wholly owned subsidiary companies dealing primarily in United States or Canadian currencies, except General Electric Credit Corporation and its subsidiary and Jelco Corporation (a jet engine leasing corporation, newly formed in 1958), which are sales finance subsidiaries. Subsidiaries conducting their businesses primarily in currencies other than those of the U. S. and Canada are referred to hereinafter as "foreign nonconsolidated subsidiaries."

All significant intercompany items have been eliminated from the consolidated financial statements.

The accounts of Canadian subsidiaries were converted to U. S. dollars at par. Total assets in Canada on December 31, 1958 were $123,022,401 and liabilities were $27,959,093.

The financial interests of the consolidated companies in sales finance subsidiaries and foreign nonconsolidated subsidiaries were carried on the consolidated statement of financial position as investments, on the valuation bases described in Note 3.

Note 2—Inventories at substantially all locations were verified by physical count during the latter part of the year. Inventories were carried at cost, exclusive of certain indirect manufacturing expenses and intercompany profits, and less reserves which made provision for possible losses on inactive and excess stocks. Carrying value was not in excess of market. Cost of substantially all inventories in the United States has been determined on a last-in, first-out (LIFO) basis. Inventories of Canadian components, with a net value of $50.3 million, were valued on a first-in, first-out (FIFO) basis.

Note 3—Investments and Advances, Less Reserve— Carrying value of investment in General Electric Credit Corporation, its subsidiary and Jelco Corporation represented the sum of outstanding advances to, and equity in the net worth of, these corporations. All earnings of these subsidiaries are included in the consolidated statement of current earnings. General Electric Credit Corporation borrowings from outside sources at December 31, 1958 amounted to $205,341,342. Jelco Corporation had no outside borrowings.

Carrying value for foreign nonconsolidated subsidiaries represented the sum of outstanding advances to, and cost of the investments in, these subsidiaries. The cost of these investments did not exceed the consolidated group's equity in such subsidiaries. Only dividends received from foreign nonconsolidated subsidiaries are included in the statement of current earnings.

Investment in General Electric common stock at the close of 1958 represented the cost of 437,435 shares held for corporate purposes, such as requirements for the General Electric Savings and Stock Bonus Plan, payments under the Company's incentive compensation plan, and patent awards to employees. At December 31, 1958 these shares had a quoted market value of $34,283,968.

Miscellaneous securities were valued at cost. On December 31, 1958 their fair value was $47,781,393.

Note 4—General Electric Company 3½% Debentures mature May 1, 1976, with interest payable on May 1 and November 1. The indenture provides for sinking fund payments of $13 million annually from 1961 through 1975. The Company, at its option, may make additional annual payments of up to $13 million, and also has the option of redeeming all or part of the bonds at any time upon payment of redemption premiums ranging downward from 4.5%. The underlying indenture also provides certain limitations on pledge, mortgage, or disposition through sale and lease-back of manufacturing properties.

Note 5—Deferred Income at December 31, 1958 included $1,229,078 of unamortized premium, received from the sale of debentures during 1956, which is being returned to income as an offset to interest expense over the period in which the debentures are scheduled to be outstanding.

Note 6—Common Stock of $5 par value authorized at the end of 1958 and 1957 was 105,000,000 shares. Of these shares, 87,681,422 shares and 87,396,796 shares were issued at December 31, 1958 and 1957, 284,626 shares (total par value of $1,423,130) having been issued in 1958 under the Company's stock option plan. See page 23 for further details.

Note 7—Investment in Excess of Par Value of Common Stock represented profits realized on the disposition of Treasury stock and the premiums received on original sales of common stock (in 1958, all sales were under the Company's stock option plan). Additions in 1958 were $2,200,777 and $6,837,989 respectively.

Note 8—Costs, Expenses and Charges exclude all expenses directly reimbursed by the Atomic Energy Commission applicable to atomic projects operated for the U.S. Government at Hanford, Washington, and Schenectady, New York.

INDEPENDENT AUDITORS' REPORT

to the share owners and board of directors of General Electric Company

We have examined the consolidated statement of financial position of General Electric Company and subsidiaries as of December 31, 1958 and the related statements of earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated statements present fairly the financial position of General Electric Company and subsidiaries at December 31, 1958 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Seventy Pine Street
New York 5, N.Y.
February 18, 1959

Peat, Marwick, Mitchell & Co.

Peat, Marwick, Mitchell & Co.

10 YEAR SUMMARY

DOLLAR AMOUNTS IN MILLIONS	**1958**	**1957**	**1956**	**1955**	**1954**	**1953**	**1952**
Revenues							
Net sales billed	$4,120.8	$4,335.7	$4,090.0	$3,463.7	$3,334.7	$3,510.6	$2,993.4
Nonoperating income—net	35.2	30.0	22.5	32.8	28.5	37.8	22.0
Total revenues	**4,156.0**	**4,365.7**	**4,112.5**	**3,496.5**	**3,363.2**	**3,548.4**	**3,015.4**
Costs and expenses							
Total employee compensation (including benefits) (a)	1,640.2	1,715.3	1,643.8	1,372.4	1,250.9	1,311.7	1,118.5
Materials, supplies and all other costs, expenses, and charges—net	1,792.2	2,017.8	2,134.7	1,667.1	1,474.1	1,708.1	1,431.5
Depreciation and amortization charges	124.5	119.9	108.7	97.4	86.4	73.6	65.6
Interest and other financial charges	11.4	11.2	9.5	1.7	2.1	2.5	1.9
Provision for Federal and Canadian income taxes, and for renegotiation	242.2	260.0	210.0	176.3	202.8	323.7	282.1
Other taxes (b)	50.5	51.8	49.6	40.9	38.6	41.0	39.7
Total gross costs and expenses	3,861.0	4,176.0	4,156.3	3,355.8	3,054.9	3,460.6	2,939.3
Adjustments:							
Decrease or *Increase* in inventories	135.0	22.6	*179.3*	5.7	170.6	*21.4*	*30.2*
Less employment costs—U.S. Gov't atomic projects (c)	*82.9*	*80.8*	*78.3*	*73.9*	*66.7*	*64.6*	*58.6*
Total costs and expenses applicable to sales	**3,913.1**	**4,117.8**	**3,898.7**	**3,287.6**	**3,158.8**	**3,374.6**	**2,850.5**
Net earnings	**242.9**	**247.9**	**213.8**	**208.9**	**204.4**	**173.8**	**164.9**
Dividends declared	173.7	173.2	172.4	145.9	131.4	121.6	85.9
Average number of employees	249,718	282,029	280,497	250,306	243,622	257,091	239,478
Plant expenditures	$104.1	$153.6	$205.2	$161.4	$170.6	$158.7	$132.2
Product price index (1947—49 = 100)	134	132	124	115	119	118	114
Long-term debt and notes payable—December 31	$306.4	$303.1	$308.5	$92.0	$51.9	$58.2	$37.5
Capital invested (d)	1,617.3	1,534.3	1,451.9	1,181.8	1,071.9	1,000.5	926.3
Earnings as a percentage of sales	5.9%	5.7%	5.2%	6.0%	6.1%	5.0%	5.5%
Earned on capital invested (e)	15.7%	16.9%	15.3%	17.8%	19.2%	17.6%	18.0%
Average number of share owners of record	395,493	377,555	362,122	338,563	277,047	247,944	252,837
Market price range—General Electric Stock (f)	79⅜–57	72⅜–52⅜	65½–52¾	57¾–46¼	48½–29	30¾–22⅛	24¼–18⅛

(a) Includes Company cost of pensions, insurance, social security taxes and all other employee benefits.

(b) Principally state and local income, franchise and property taxes. Does not include (1) social security taxes or (2) federal excise taxes and certain sales taxes which are not included in sales or costs.

(c) Applicable to atomic projects at Hanford, Wash., and Schenectady, N.Y.

(d) Total share owners' investment (ownership) plus long-term debt and notes payable as of December 31 each year.

(e) Net earnings for the year—before interest on money borrowed—in relation to book value of capital invested at close of year.

(f) Represents high and low market price on New York Stock Exchange for year shown, adjusted for three-for-one stock conversion in 1954.

GENERAL ELECTRIC

1951	1950	1949
$2,619.6	$2,233.8	$1,851.6
21.0	15.3	8.9
2,640.6	**2,249.1**	**1,860.5**
1,050.0	814.6	718.9
1,389.4	1,058.7	781.5
62.0	56.0	52.6
1.4	4.8	4.9
290.4	217.4	86.4
37.3	28.9	22.2
2,830.5	2,180.4	1,666.5
288.7	*69.2*	103.4
44.9	*41.8*	*38.6*
2,496.9	**2,069.4**	**1,731.3**
143.7	**179.7**	**129.2**
85.9	97.1	71.0
232,981	205,935	199,833
$109.4	$63.4	$67.6
114	103	101
$23.6	—	$144.5
830.7	$715.1	775.5
5.5%	8.0%	7.0%
17.5%	25.7%	17.2%
252,993	249,530	250,562
21¼–16½	16⅞–13¾	14⅛–11⅜

BOARD OF DIRECTORS

S. SLOAN COLT
Director and Member of the
Executive Committee,
Bankers Trust Company,
New York, N.Y.
A Director for 19 years.

RALPH J. CORDINER
Chairman of the Board and Director,
General Electric Company,
New York, N.Y.
A Director for 10 years.

DONALD K. DAVID
Vice Chairman of the Board,
The Ford Foundation,
New York, N.Y.
A Director for 14 years.

CHARLES D. DICKEY
Director and Member of the
Executive Committee,
J. P. Morgan & Co., Incorporated
New York, N.Y.
A Director for 18 years.

HENRY FORD II
President and Director,
Ford Motor Company,
Dearborn, Michigan
A Director for 4 years.

G. PEABODY GARDNER
President, Gardner Office, Inc.
Boston, Massachusetts
A Director for 20 years.

JOHN HOLMES
Director,
Swift & Company, Chicago, Illinois
A Director for 10 years.

FREDERICK L. HOVDE
President,
Purdue University,
Lafayette, Indiana
A Director for 3 years.

GILBERT W. HUMPHREY
President and Director,
The Hanna Mining Company,
Cleveland, Ohio
A Director for 4 years.

JOHN E. LAWRENCE
Partner,
James Lawrence & Company,
Boston, Massachusetts
A Director for 2 years.

GEORGE H. LOVE
Chairman of the Board and Director,
Consolidation Coal Company, Inc.
Pittsburgh, Pa.
A Director for 9 years.

THOMAS B. McCABE
President and Director,
Scott Paper Company,
Chester, Pennsylvania
A Director for 7 years.

GEORGE G. MONTGOMERY
President and Director,
Kern County Land Company,
San Francisco, California
A Director for 11 years.

HENRY S. MORGAN
Partner,
Morgan Stanley & Company,
New York, N.Y.
A Director for 19 years.

ROBERT PAXTON
President and Director,
General Electric Company,
New York, N.Y.
A Director for 1 year.

PHILIP D. REED
Chairman of the Finance Committee
and Director,
General Electric Company,
New York, N.Y.
A Director for 19 years.

ROBERT T. STEVENS
President and Director,
J. P. Stevens & Co., Inc.
New York, N.Y.
A Director for 9 years.

SIDNEY J. WEINBERG
Partner,
Goldman, Sachs & Company
New York, N.Y.
A Director for 14 years.

ROBERT W. WOODRUFF
Chairman of the Finance
Committee and Director,
The Coca-Cola Company
Atlanta, Georgia
A Director for 11 years.

OFFICERS

CHAIRMAN OF THE BOARD
Ralph J. Cordiner

PRESIDENT
Robert Paxton

VICE PRESIDENTS AND GROUP EXECUTIVES

James H. Goss
Cramer W. LaPierre
Arthur F. Vinson

VICE PRESIDENTS

John W. Belanger
Fred J. Borch
Lemuel R. Boulware
George E. Burens
Robert L. Gibson
William S. Ginn
George L. Haller
W. Rogers Herod
Clarence H. Linder
Ray H. Luebbe
Harold A. MacKinnon
Francis K. McCune
Halbert B. Miller
Donald L. Millham
Jack S. Parker
Charles K. Rieger
Willard H. Sahloff
Harold F. Smiddy
Raymond W. Smith
Harold E. Strang
Harold A. Strickland, Jr.
C. Guy Suits
Glenn B. Warren
William C. Wichman

COMPTROLLER Gerald L. Phillippe

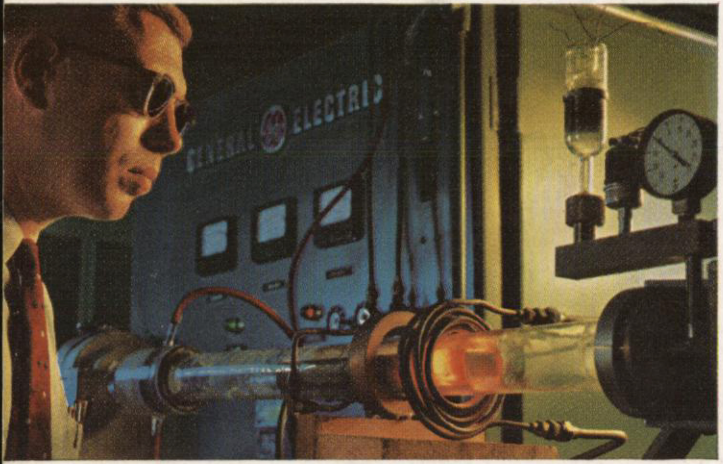
TREASURER John D. Lockton

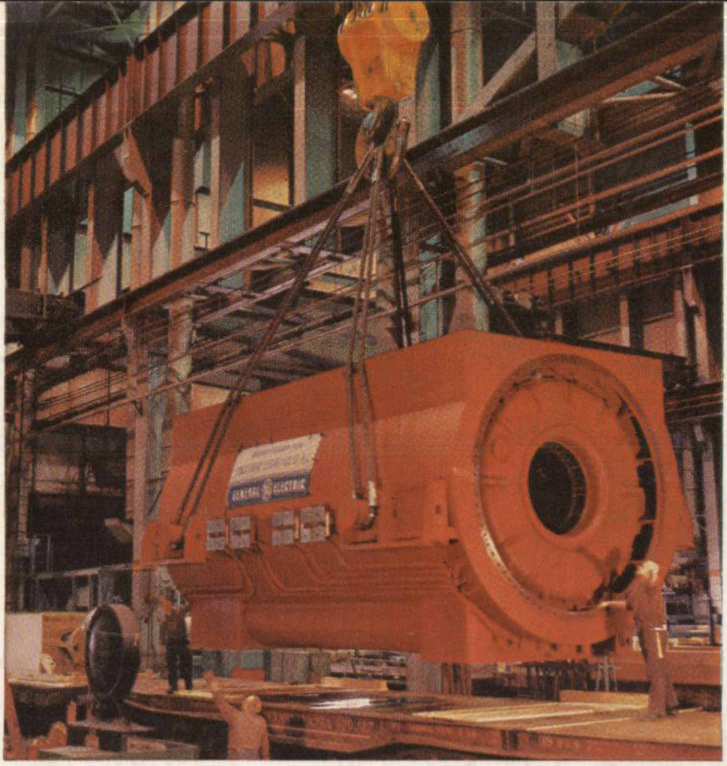
SECRETARY Ray H. Luebbe

REGIONAL VICE PRESIDENTS

Edwin H. Howell, *Southwestern*
George L. Irvine, *Central*
Samuel Littlejohn, *East Central*
William A. Mann, *Mid-States*
George F. Metcalf, *Washington Defense Activities*
Harold A. Olson, *Northeastern*
Carter L. Redd, *Southeastern*
Clarence C. Walker, *Western*
Nathan L. Whitecotton, *Atlantic*

EXECUTIVE OFFICES: 570 Lexington Avenue, New York 22, New York





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